Foreign Broadcast Information Service 50

ANNIVERSARY
1941 - 1991

Daily Report

East Asia

FBIS-EAS-91-110
Friday
7 June 1991

Daily Report
East Asia

FBIS-EAS-91-110 CONTENTS *7 June 1991*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Prime Minister Kaifu Interviewed 5 Jun *[Tokyo TV]* 1
Kaifu Welcomes Gorbachev Invitation to G-7 *[KYODO]* 5
Minister Reaffirms Need for Pre-G-7 Meeting *[KYODO]* 5
Two 'Major Loans' Pledged to Syria *[KYODO]* 6
Kaifu To Visit PRC, Mongolia 10-14 Aug *[KYODO]* 6
Nakayama To Visit Vietnam, Indonesia *[KYODO]* 6
Joint Statement on Trade With Malaysia Issued *[KYODO]* 7
Nakayama Interviewed on Trade With France *[Paris LE FIGARO 5 Jun]* 7
Mitsubishi To Deal in Soviet Debts *[KYODO]* 8
Industry Groups Welcome New U.S. Chip Accord *[KYODO]* 8
Official Rules Out Monetary Policy Change *[KYODO]* 8
Report Issued on Interest Rates, Economy *[KYODO]* 9
MITI Reverses Oil Refinery Capacity Policy *[KYODO]* 9
Easing of Corporate Financing Controls Urged *[KYODO]* 9
Business Groups Urge Early Political Reforms *[KYODO]* 10
Politicians View Party Reform Bills 11
    Obuchi Comments *[Tokyo TV]* 11
    DSP's Ouchi To Propose Reform *[Tokyo TV]* 11
    Miyazawa Supports Election *[KYODO]* 11
No Compensation Sought for Radiation Leak *[KYODO]* 12
Highest-Temperature Superconductor Developed *[KYODO]* 12

Mongolia

'Scathing' Party Statement on Government Work *[Beijing XINHUA]* 12
New Draft Constitution Published 6 Jun *[Beijing XINHUA]* 13

North Korea

Meetings Held To Condemn U.S., No Tae-u Group *[KCNA]* 13
    More Denunciation Meetings Held *[KCNA]* 14
University Meeting Enrolls Dead South Student *[KCNA]* 14
South Paper Cited on Sport Circles Surveillance *[KCNA]* 14
South's Police Director's Statement Denounced *[KCNA]* 14
Rearrest of Rev. Mun Ik-hwan in South Reported *[KCNA]* 15
Charges Against South Student Leader Viewed *[KCNA]* 15
Reunification Symposium Letter to South Adopted *[Pyongyang Radio]* 15
VNS Cited on 3 Jun Hanminjon Declaration *[KCNA]* 17
SKNDF Representative Appeals to U.S. Koreans *[KCNA]* 17
U.S. Aerial Activities for 4 Jun Reported *[KCNA]* 18
Friendship Gathering With PRC Children Held *[KCNA]* 18
Choe Tae-pok Meets PRC Literature Delegation *[KCNA]* 18
Ministry Hosts Reception for PRC Officials *[KCNA]* 18
PRC National People's Congress Delegates Visit *[KCNA]* 18
Yi Chong-ok Meets Chinese NPC Delegation *[KCNA]* 18
Soviet Naval Delegation Visits Martyrs' Tomb *[Pyongyang Radio]* 19
Yun Ki-pok Receives Delegation From KYODO *[KCNA]* 19
Pak Song-chol Meets Syrian Paper's Director *[KCNA]* 19

New Tunisian Ambassador Received by Kim Yong-nam *[KCNA]* 19
    Received by Kim Il-song *[KCNA]* 19
Signature Campaign for Reunification Reported *[KCNA]* 19
Death of C.C. Member Ho Chong-suk Announced *[KCNA]* 20
    Kim Il-song Sends Wreath to Bier *[KCNA]* 20
    State Funeral Committee Formed *[Pyongyang Radio]* 20
    Senior Officials Visit Bier *[KCNA]* 20
Kim Il-song Meets Olympic Delegation 5 Jun *[KCNA]* 21
Kim Il-song Publication Anniversary Commemorated *[KCNA]* 21
Anniversary of Kim Chong-il's Mt. Paektu Routes *[KCNA]* 21
Senior Officials Attend Wreath-Laying Ceremony *[KCNA]* 22
Meeting on Anniversary of Kim Il-song's Guidance *[Pyongyang Radio]* 22
So Yun-sok Attends Agricultural Workers Meeting *[Pyongyang Radio]* 23
National Children's Union Meeting Closes 5 Jun *[KCNA]* 23
Officials Celebrate Children's Union Anniversary *[KCNA]* 23
Rice-Transplanting Ends According to Schedule *[KCNA]* 24
* Economic Improvement in South Hamgyong Province *[MINJU CHOSON 5 Mar]* 24
KCNA Review of 7 Jun Pyongyang Press 25
Correction to 'Text' of Kim Il-song Interview 26

South Korea

'Pressure' Needed on North Over Nuclear Accord *[THE KOREA TIMES 7 Jun]* 26
Airlines Want U.S. To Revise Aviation Accord *[THE KOREA TIMES 6 Jun]* 27
    Official Optimistic About Accord *[THE KOREA TIMES 7 Jun]* 28
Controversy Over Inter-Korean Trade Viewed *[YONHAP]* 29
Trade Delegation Leaves for China 7 Jun *[THE KOREA TIMES 7 Jun]* 30
Closer Pusan, Vladivostok Relations Reported *[THE KOREA TIMES 7 Jun]* 30
* North Korean Police Watch Workers in USSR *[CHOSON ILBO 19 Mar]* 31
* Japanese, ROK Industrial Structures Compared *[MAEIL KYONGJE SINMUN 13 Mar]* 32
Seoul To Ratify Marine Prospecting Convention *[YONHAP]* 33
No Hands Back Education Minister's Resignation *[YONHAP]* 33
Poll Respondents 'Shocked' by Attack on Premier *[THE KOREA HERALD 7 Jun]* 33
Education Ministry Plan To Control Radicalism *[YONHAP]* 34
Dissident Reverend's Return to Jail Examined *[YONHAP]* 34
Ministers Announce Election Protection Measures *[YONHAP]* 35

SOUTHEAST ASIA

Burma

NLD Representative U Tin Maung Resigns *[Rangoon Radio]* 36
Three Kyaukkyi Township NLD Members Surrender *[Rangoon Radio]* 36
Disqualified Unsuccessful Candidates Listed 36
    3 Jun Announcement 929 *[Rangoon Radio]* 36
    4 Jun Announcement 930 *[Rangoon Radio]* 37
    5 Jun Announcement 932 *[Rangoon Radio]* 37
    6 Jun Announcement 933 *[Rangoon Radio]* 37

Brunei, Malaysia & Singapore

Malaysia

Mahathir on Commonwealth Meeting, EAEG Support *[BERNAMA]* 38
PRC Lauded; Japan Urged To Support EAEG *[Kuala Lumpur International]* 38
Sudanese President Arrives for Official Visit *[BERNAMA]* 39
    Attends State Banquet 6 Jun *[Kuala Lumpur Radio]* 39
Manufacturing Sector Records Higher Sales *[BERNAMA]* 39

Cambodia

Hun Sen Returns From Jakarta Meeting *[SPK]* 40
  Welcomes 'Spirit of Cooperation' *[AFP]* 40
Sihanouk, Hor Namhong To Bury 'Past Differences' *[SPK]* 41
Khieu Samphan's Stance in Jakarta Denounced *[Phnom Penh Radio]* 41
SPK: Tie Banh Meets Thai Leaders in Bangkok 41
Directive Issued on Party Anniversary *[Phnom Penh Radio]* 42
Khieu Samphan Interviewed on Jakarta Meeting *[Bangkok BANGKOK POST 7 Jun]* 44
  Khieu Samphan Interviewed Further *[Radio VONADK]* 45
Democratic Kampuchea Army Issues 'Guidance' *[Radio VONADK]* 46

Indonesia

Minister on Meeting With PRC Trade Officials *[Jakarta Radio]* 46
India Offers Support for Nonaligned Presidency *[ANTARA]* 47
East Timor Speaker on Human Rights Violations *[THE JAKARTA POST 31 May]* 47

Laos

Spokesman Discusses Jakarta Meeting on Cambodia *[Vientiane Radio]* 48
Phoun Sipaseut Receives SRV Consul General *[Vientiane Radio]* 48

Philippines

Interview With Congressmen on Bases Terms *[Manila Radio]* 48
Officials on North American Free Trade Zone *[AFP]* 49
Cabinet Adopts New Middle East Policy *[THE CHRONICLE 7 Jun]* 50
Congress Approves 1991 Appropriations Act *[THE CHRONICLE 7 Jun]* 50
Bicameral Committeee on Local Government Code *[Manila Radio]* 51
Senate Leader Cites Congress Achievements *[MANILA BULLETIN 7 Jun]* 51
Development Board Approves Relending Program *[PHILIPPINES NEWSDAY 7 Jun]* 51
Aquino Rules Out Oil Price Cut *[THE CHRONICLE 7 Jun]* 52
Column Warns on Confirmation of Abadia, Others *[PHILIPPINES NEWSDAY 7 Jun]* 53
Abadia Issues Terminal Leave Order for Aguirre *[Manila Radio]* 54
  Aguirre's Comments *[Manila Radio]* 54
Ramos Doubles Hardship Allowance for Soldiers *[MANILA BULLETIN 7 Jun]* 55

Thailand

Minister Meets Richard Solomon in Luxembourg *[Radio VOFA]* 55
General Chawalit Meets With Hun Sen in Bangkok *[Bangkok TV]* 55
  Hun Sen Meets Prime Minister *[AFP]* 55
  Hun Sen: Army Can Launch Counterattacks *[AFP]* 56
  Further on Meeting With Anan *[Bangkok TV]* 56
Sihanouk, Hun Sen Hold Separate Consultations *[AFP]* 57
Sihanouk on Joining Supreme National Council *[AFP]* 57
  Denies Wanting to Isolate Khmer Rouge *[AFP]* 57
Thai on Sihanouk Plan for SNC Meeting in Surin *[Bangkok Radio]* 58
End to Foreign Military Aid to Cambodia Urged *[THAI RAT 6 Jul]* 58
Movement Toward Cambodian Solution Urged *[THE NATION 7 Jun]* 58
Army Chief Warns Against Cambodian Robbers *[Bangkok Radio]* 59
Minister on Reports of Gas Attacks in Laos *[THE NATION 7 Jun]* 59
Miyazawa Asks Japan To Lead Asian Economic Zone *[KYODO]* 60
Further on Vietnamese 'Pirates,' Trawlers *[THE NATION 7 Jun]* 60

Vietnam

Hun Sen Comments on SNC, Cease-Fire Agreement *[VNA]* 61
Hun Sen-Sihanouk Jakarta Agreement Welcomed *[Hanoi Radio]* 61
Government Shuns UK Refugee Proposal *[AFP]* 62

Do Muoi Receives Japanese Company Executives *[Hanoi Radio]* 63
Nguyen Co Thach Receives French Minister *[VNA]* 63
French Official Comments on Banking Reform *[VNA]* 63
Polish Envoy Holds News Conference *[VNA]* 63
Swedish Envoy Holds Reception on National Day *[VNA]* 64
Foreign Ministry Official on Sunthon's Visit *[Bangkok BANGKOK POST 7 Jun]* 64
Journal Discusses National Defense Tasks *[TAP CHI QUOC PHONG TOAN DAN Apr]* 64
Views on Marxism-Leninism Critiqued *[TAP CHI CONG SAN Apr]* 68
NHAN DAN on Emulation Movement in Armed Forces *[Hanoi Radio]* 69

AUSTRALASIA

Australia

Financial Market Faith in Government Viewed *[AFP]* 71
'Historic Step' in Relations With RSA Viewed *[Melbourne International]* 71
Broadcasting Corporation To Reopen in Jakarta *[Melbourne International]* 72

New Zealand

Minister on Visit of North Korean Diplomat *[AFP]* 72
Finance Minister Rules Out Tax Increase *[AFP]* 72

Solomon Islands

Striking Teachers Defy Law, Refuse To Work *[Melbourne International]* 73

Western Samoa

Government Broadens Tax Base in New Budget *[AFP]* 73

Japan

Prime Minister Kaifu Interviewed 5 Jun

OW0706035291 Tokyo TBS Television Network in Japanese 0800 6 Jun 91

[Interview with Prime Minister Toshiki Kaifu by TBS announcers Tetsuya Chikushi and Sawako Agawa in the prime minister's official residence in Tokyo—recorded on 5 June; relayed in Okinawa by Naha RBC Television Network; program entitled "Japan's Course and Options"]

[Excerpt] [Passage omitted] [Chikushi] By the way, may I ask you one thing in that context? Of late, in appraising Japan, the view has taken root that Japan is first class economically, but third class politically. How do you take it as a politician, particularly at the top of the political world?

[Kaifu] Speaking of Japan's economy, Japan accounts for 14 percent of the world's GNP. Japan's share is $3 trillion in the world's total GNP of $20 trillion. It can be said that the rest of the world appraises Japan as a first-class nation, taking those figures into consideration. Speaking of Japanese politics, perhaps, Japan is appraised as a third-class nation, because there has been no change in power. There are various views on Japan's politics and I believe we have to listen carefully to those views. All the people have worked hard and the political situation has remained stable. I believe these have combined to keep Japan in a good economic situation for as long as 55 months. Though we must not boast about this, I hope that the public will understand that politicians are working hard and this is my frank feeling.

[Chikushi] Don't you think it is too tough to rate Japan as a third-class nation in terms of politics?

[Kaifu] Politicians in Japan are working hard. Compared with the rest of the world, Japan is enjoying a lower inflation and jobless rate, and a better social system. Since the government has decided to expand domestic demand, they have continued to grow. I hope the public will fully understand efforts made by the politicians in our nation.

[Agawa] What do you think are the defects in Japanese politics?

[Kaifu] I think politicians lack the will to push for political reform. This is one of the defects of Japan's politics.

[Chikushi] Mr. Kaifu, it is said within the party that your attitude to political reform has changed.

[Kaifu] I do not know about it. In retrospect, I was elected the president of the Liberal Democratic Party [LDP] under very tough circumstances. As head of the action group in the Promotion of Political Reform Headquarters, I toured across the nation. During the House of Councilors' election, I also toured across the nation, appealing for the political reform, but we suffered a crushing defeat in the elections. I thought that the election outcome was the task of an era to be carried out by the LDP. In the wake of the defeat in the elections, I was elected the LDP president. At that time, I thought that political reform was a mission charged by the people for me to carry out. Therefore, I have until now been working hard for reform.

[Chikushi] It has been said that Japan cannot reform itself without pressures from outside, and what Japan did is only the Meiji Restoration and land reform. It must be a very tough job to change political mechanism fundementally. Is it possible to do so? I know your attitude to political reform has changed, but it is said that it would be very difficult for you to put political reform into practice. What are your views?

[Kaifu] I believe political reform is something I must carry out. To cite one example, attention focuses only on the division of constituencies. The people harbor distrust in politics. Frankly speaking, Japan has thus far had different political fund and political systems from other industrialized nations. This has brought up the issue of political ethics and led the public to harbor distrust of politics. Taking this into consideration, I intend to establish political ethics, reform political parties and the steering of the Diet, clarify and make easily understood the relationship between politics and political funds. To that end, we must to go into reforming the electoral system, the backbone of the political system. We are working on reforming politics in that direction, based on principles.

[Chikushi] When, recently, the LDP approved a draft political reform, some in the party argued that no further efforts need be made for political reform, because, even if draft political reform were submitted to the Diet for adoption, it would be killed in the face of objections from the opposition parties.

I feel there are differences within the party over political reform.

[Kaifu] It is a Liberal-Democratic Party [LDP], so I am aware that there are various and wide-ranging opinions of different footings within the party. Recently, I attended a meeting called a joint plenary meeting, and answered questions. At that time, I explained to the dietmen attending the meeting that a fundamental difference between one representative per one constituency and the current medium constituency systems would be whether we could fight election campaigns by putting emphasis on policies or party. Candidates have to think about ways to establish connections with voters through means other than policies if more than one candidate runs in the same precinct, pledging the same campaign promises to the same voters. This makes voters suspicious, because election campaigns are not fought on the basis of policies. First, we should stop such practices and promote campaigns by putting emphasis on policy. I think this is the starting point for making the politics more fervent and close to the people.

[Chikushi] I can understand your enthusiasm, but can you actually establish new precincts and submit a bill in time? Are you absolutely sure you can do that?

[Kaifu] I am absolutely determined to carry out political reform. Wide-ranging opinions were expressed within the LDP. After discussions, decisions were made on 25

December last year regarding the fundamental outline. Although it was the end of the year, the opposition camp leaders immediately responded and we held a meeting among the heads of the political parties. At that time, I explained everything to them. I asked the LDP to prepare an outline by the end of May. This request was approved, thanks to the party members' cooperation. I went to the government's Council for the Election System today and explained in detail the different points. They are not fundamental issues. There were two or three different points between the report of the Council for the Election System and the party's outline regarding ratios and other things. However, we are working for the goal set by the party policy which was submitted by the Council for the Election System. I am asking the party to carry out preparatory work on the basis of that goal. Therefore, we, as government members, have to do our best in the future and try to convene an extraordinary Diet session soon in order to discuss it at a meeting between the LDP and the opposition parties. This is what I am thinking.

[Chikushi] Let me ask you a straightforward question. Your term as party president will expire in October. Are you planning to continue to remain in the post after that?

[Kaifu] I am aware of the term. But, I am not thinking about what to do after that. The mission given to me when I was named party president was to implement political reform and to set a direction for reform for the LDP. Thus, I shall continue to exert my efforts every day in order to do that.

[Chikushi] If you are not thinking about the future, then, judging from common sense, you have to set a direction for this political reform before your term expires. Some people are saying that, because your time is limited, setting a direction is enough. Can you tell us if you want to finish your term after completing political reform?

[Kaifu] I will ask for the establishment of new precincts today. I will issue intructions to prepare a bill which will then be submitted to the Diet. I think some of those who oppose political reform may change their views when they study the bill. Moreover, I attended a social gathering for industry and workers, which was jointly held by business owners, representatives of labor unions, and the public, yesterday morning. I also attended a national meeting for social economy, which was also held by representatives of the three parties. I was invited to attend these meetings. At the meetings, I stressed the need to carry out political reform and asked for their cooperation. For the hope of establishing an electoral system which puts emphasis on policies, I am calling for the reestablishment of new precincts. Thus, I asked those attending the meetings to let me carry out reform. Other matters, including an ideal way to steer the Diet and parties, will be included in the reform plan. If we work out the plan soon, then various people in various fields may begin to ask why the opposition parties don't submit alternative plans, rather than merely taking an opposition stance. They may point out that such and such part of the LDP proposal is not good, or they may suggest alternatives. Through discussions over various plans, we can find new, better ideas. This is an ideal way for parliamentarism. Anyhow, I will actively open the door for holding discussions. We will convene an extraordinary Diet session to achieve this. Thus, I would like to have everybody's agreement and understanding.

[Chikushi] It is not just a matter of convening the extraordinary Diet session to push through these reforms. I think we can justly say that the Kaifu cabinet was, in the first place, created for this purpose. Therefore, if it cannot implement reforms satisfactorily, it won't be able to rest in peace, and it won't be able to end its term, even if it wants to. What do you think?

[Kaifu] Basically, you are right. That is why I tell everybody I cannot rest in peace, so please let me finish this one job. My present feeling is that I do not care about what happens in the future, I just want to finish this one task. Don't you agree? We made promises during the election. Even before I was elected as LDP president, the party leadership had repented and the LDP had drawn up an outline of political reform. Everyone was eager to regenerate the LDP. Thus, we must push through with this. Because we will not succeed without everyone's cooperation, I will strongly urge everyone to cooperate. To accomplish this is the mission entrusted to me. That is what I think and I am exerting all possible efforts.

[Chikushi] On the other hand... the other day, I interviewed Mr. Gotoda, who is an active supporter of political reform. He said that, from his long political experience, he believed that, when a politician, particularly a leader, changed his countenance, politics would move forward with his sheer energy, even if there were a great deal of unwillingness in the party. Thus, I personally think this issue is a critical one for you, Mr. Kaifu.

[Kaifu] Thanks to everyone's help, in the last regular Diet session, 89.2 percent of bills submitted by the cabinet were passed without having to extend the session. For the first time, as a contribution to the international community, or contribution to activities to restore peace, we included $9 billion expenditure in the budget. We sought the cooperation of the public in the form of additional taxation, since this was Japan's international duty, and had the legislation passed. At this time, when we tackle the issue of political reform, as a matter of course, it is our duty to make the Diet session a venue for a thorough policy debate.

[Agawa] In the past two weeks or so, looking at your eyes, Mr. Prime Minister... something has cleared up in your face...

[Kaifu] That happened even earlier. [laughter]

[Agawa] I thought something must have happened.

[Kaifu] No, that is not true.

[Agawa] Am I wrong?

[Kaifu] Earlier on, I had been thinking this must have been accomplished by every means. However, after the Gulf crisis created by Saddam Husayn occured last August, time was taken up by this issue. Other problems requiring my efforts emerged. Thus, as you have pointed out, the pace of work on political reform slowed a little. Looking back, I agree with you. Since that time, I have met frequently with members of the Political Reform Headquarters. Was it 25 December that the party's basic guideline was formulated? Since that time, I have told everybody that, if we do not accomplish this, we will get nowhere.

[Agawa] Well, that means we have been slow in noticing your determination. [laughter]

[Chikushi] Very recently Mr. Morita, from Sony, told me that people like him, who are involved in international operations, are shocked to see that cricitism of Japan is constantly increasing. I am uneasy about this and wonder how seriously Japanese politicians regard the situation under which Japan receives such harsh treatment overseas. What do you think?

[Kaifu] I take seriously the fact that there are complaints overseas. For instance, when I went to the United States in April, I accepted all requests for television appearances and answered all questions, setting no time limits. What I most wanted Americans to know was that in Japan, as a democratic country, when a budget is approved, it needs to go through both the House of Representatives and the House of Councilors.

As for international cooperation on the Gulf crisis, Japan was the only country that actually passed a bill authorizing tax revenues and securing those funds. I asked them earnestly to understand our efforts.

Even where remarks by Prime Minister Cresson are concerned—and I will refrain from responding to her here—Japan and the EC have, through mutual consent, agreed to limit exports and imports of some products.

Japan is making various efforts. When results are the only topic of discussion and all other factors are cast aside, countries with trade imbalances can complain. Aside from that, there are voices calling on Japan to participate in the international community.

Now I could be wrong. We use the word contribution often. I do not know how that translates in French. The word contribution might imply a degree of detachment, lacking a sense of cohabitation or colleagues who live together. We should have called it role sharing. Or we should have said that because what we can do is such and such, we will do such and such. We should have said this in a way readily acceptable to other nations. Perhaps I should not blame the matter on language. But it may be important for Japan to make movements and say things from that perspective.

[Chikushi] Some people say that the Japanese, including politicians, are not explaining this problem properly—that the Japanese are not asserting themselves. These same voices also say that it is not clear what this country, Japan, is thinking and that it moves only when other countries move.

There will soon be a summit. What do you intend to do at the summit in that regard?

[Kaifu] After recent events surrounding the Gulf issue, I have searched for topics which only Japan could raise, as I said at the Diet's Budget Committee sessions. To put it bluntly, we should identify those countries that helped Iraq stockpile so many weapons. We should acknowledge that proliferation of weapons of mass destruction must be halted right away, since it is possible that a second and third Iraq will occur if things remain as they are. Even the transfer of conventional arms should be restrained. I cannot identify these countries to you. But they are permanent members of the UN Security Council with which we are all familiar.

I think Japan, which has maintained three principles on arms exports and stood by them strictly, should speak up. That is why the UN Conference on Disarmament was held in Tokyo on 27 May. Mr. Lehman, director of U.S. Arms Control and Disarmament Agency, joined the discussions. He agreed that the conference was for a good cause.

I want the UN General Assembly to take over the discussions so that proliferation of weapons of mass destruction will be prevented and so that transfer of conventional arms will be controlled through such measures as requiring that reports be submitted to the United Nations in order to make details of these weapons transfers public. By doing this, we might prevent nations from attaining unilateral military power and thus upset the balance of power in any one region. In other words, we want to prevent nations from accumulating weapons in excess of what is needed for self-defense. I think this is all important. We have to secure the world's understanding on this issue.

You are doing important work in that regard. You know I do not always criticize you. [chuckles] I have high regard for you in that respect. But so many industrialized nations, as a way of making up their international trade deficits, are exporting products in which they are proficient—in other words, weapons. That being the case, Japan has to say some unpleasant things to friendly Western nations—and Japan is part of the West—including the United States. I think Japan has no choice but to say these things.

[Kaifu] What we must not forget is that it was eventually the exercise of force that solved the Iraq problem. When multinational forces were mobilized, Japan was unable to contribute militarily because of its national policy ideals. That being the case, many people were severely critical, saying that if Japan cannot share the burden in such situations, she should be regarded as an unreliable country in the international community in the future.

So the question boils down to how Japan can contribute to the international community.

Last year the Diet's deliberations on the UN Peace Cooperation Bill ended when the bill was scrapped. Following that, an agreement was reached among the three parties—Komeito, the Democratic Socialist Party, and the Liberal Democratic Party.

I think we should go beyond that and do more. Even though we have to stick to our basic national position, reflected by our history, we must determine what we can do and how far we can go, including on the matter of personnel contributions to the international community.

While doing all this, we must take an active part in efforts to create a new international order and the framework for defending that order. Our words may sound unpleasant to the United States or China or the Soviet Union or France. But, after all, it was because the United States and the Soviet Union decided to hold talks and change their thinking that the East-West cold war ended. They are now succeessfully overcoming conditions created during the cold war. As a result, the superpowers' responsibilities, meaning the United States and the Soviet Union, are beginning to assume different characteristics. U.S.-Soviet arms reductions efforts are bearing fruit too.

We must think broadly. It is not a question of whether we should say unpleasant things. We must think about responsibilities to be borne in the future by responsible nations of today's world, including the United States. If a second or third Iraq occurs—and if the United States and the young people of the United States must again carry out the mission—this is a serious matter about which the United States must think.

This is why I believe that this should be dealt with by the United Nations.

[Chikushi] Just one more point in that connection. We welcome the end of the cold war. But when there was a cold war, Japan meant something to the United States; it was on the front lines, so to speak. That function has disappeared. This change might have quite an impact on international relations or, more simply, on Japanese- U.S. relations.

[Kaifu] Both President Bush and I are convinced from the bottom of our hearts that Japanese-U.S. relations are most basic and important. Therefore, when he had summit talks with me in the early days and the economic friction issue was brought up for discussion, President Bush said: I am fighting with the U.S. Congress now. To date, Japan and the United States have been maintaining strong bonds under the principle of free trade. Therefore, Japan must support me in my fight. He was that strong. He meant to emphasize that Japan should make efforts for the success of the SII [Structural Impediments Initiative], and so Japan did. According to news reports yesterday and the day before yesterday, the first round of SII follow up consultations was held and the construction friction, semiconductor issue, and other questions that lie between Japan and the United States are being resolved one by one.

In that sense, the bilateral ties between Japan and the United States are important, indeed. But, on a more global scale, the gross national products of the two countries combined account for nearly 40 percent of the world's GNP, and the role that should be played and the responsibilities that ought to be fulfilled by the two countries, Japan and the United States, are that much greater. Therefore, we should move from the level, where we say we need something or we do not need something between our two countries, to a higher plane. I think we have come to an age in which we should work together, consulting with each other and coordinating policies with each other on the East European, Soviet, and Asian questions as well, for instance. I am convinced that, in that respect, the relationship between Japan and the United States has become all the more important.

[Chikushi] But how far can we take an optimistic view of its future? At least, I think that tough areas which do not warrant optimism are becoming more and more conspicuous. That is why I have been asking you how far you recognize....

[Kaifu, interrupting] I take it very seriously. I take it seriously, indeed. ASEAN leaders, Prime Minister Mahatir, for instance, tend to come up with the Mahatir concept or something like that. He says: The United States has drawn Mexico into its free trade agreement with Canada. The United States will become strong. The EC is merging itself in 1992. Will it be all right if Asia remains as it is? He thus proposes that Japan and East Asia consider forming a bloc under the so-called Mahatir concept called EAEG [East Asian Economic Group]. It will be a serious matter if and when this actually leads to the introduction of blocs into the world. So, I am keeping in close touch with the United States, seeing to it that the United States will not turn into a bloc, nor will the Asian concept turn into a bloc. All should be kept open. Asia is a region whose presence is becoming increasingly more prominent in the world because of its vigorous economic growth. The three strong points—the United States, Europe, and Asia,—should be kept open to one another. They should contribute to the peace and stability of the world, while making themselves stronger. To this end, the Japanese-U.S. relationship is very important. So, I recognize it as an important question. The two countries therefore, should strive to maintain channels for heart-to-heart exchanges and to understand each other. I take the relationship seriously.

[Chikushi] I see.

[Agawa] I want to bring up the agricultural issue in that context. The rice issue occupies an important part in Japanese-U.S. relations, I believe. It seems that the government and the Liberal Democratic Party have adopted their basic policy on the rice issue in the form of partial liberalization. I wonder how this policy should be construed.

[Kaifu] The so-called Uruguay Round deals with various issues in 15 items. In an interview program like this, I am invariably asked about the rice issue. Rice is a very important issue to Japan. Debates have been held at the Uruguay Round to date. The United States has used the so-called waiver clauses as many as 14 items and its Congress passed the so-called 1990 Agricultural Protection Act only recently. In the EC's case, it has the so-called variable surcharges problem and a subsidies system for agricultural exports. These problems are difficult ones for the United States and the EC.

Japan takes the problems it faces to the Uruguay Round, strives to win a common understanding in accordance with Japanese principles and to help bring the Uruguay Round to success. This is the basic principle Japan has. Japan today has turned into an importer that imports goods from other countries. Japan purchases farm products worth more than $8 billion from the United States. Japan's self-sufficiency rate has, at last, dwindled to 48 percent on a calorie basis.

In a certain sense, it is our principle to secure food for the nation and to support ourselves with domestically produced food. How far we will be able to go in obtaining a common understanding at the GATT's Uruguay Round while adhering to that principle is a very tough question. Nevertheless, we should hold talks that will help all exporter and importer countries obtain common understanding simultaneously on the problems they face. I intend to settle the issue. But it is still premature for me to answer what the specific formula will be.

[Chikushi] As far as Japan's attitude is concerned-...[changes thought] I believe it was the minister of international trade and industry in your former Cabinet—when I said it would be impossible for Japan to not import a single grain of rice, he got mad at me, saying that the statement was a slip of my tongue. I get the impression that Japanese politics makes sudden changes depending on the atmosphere at any given time. If Japan were to discuss this now, there would be no success during the Uruguay Round. Do you agree?

[Kaifu] Because this is a time when the entire world is changing, I will strive to win common understanding while adhering to the principles to which we must adhere. I will do that.

[Chikushi] But that principle somehow changes gradually; that is the very aspect of politics that we do not understand. I do not know if the current principle includes partial liberalization or if we are still operating under the old principle which does not approve of anything of the kind. Has this principle changed?

[Kaifu] Japan makes it its principle to keep its position as a food importer in mind and to be self-sustaining in domestically produced rice. Under this principle, the government has asked the nation to be at ease on this issue. I have instructed concerned cabinet members to seriously study ways of bringing Uruguay Round negotiations to success under that principle.

[Chikushi] Well, then the success of the Uruguay Round is your policy—that is almost like a big principle, is it not? If each country keeps talking about its principles, the negotiations will never come to a settlement. Of course, there is no reason why Japan should be the only one to make concessions but, if the other side concedes, our side will inevitably have to consider making concessions. Is this not natural?

[Kaifu] If the other side...[changes thought] These are not bilateral negotiations; they are multilateral. All countries have their respective difficult problems—waiver clauses, variable surcharges, export subsidies and acts. Therefore, even if one of the countries makes a proposal in one area, it would not help bring success to the Uruguay Round. Japan must make sincere efforts to help everyone reach a common understanding. This is the goal. But I will abide by the principle strictly and thus cause no problems for Japanese farmers. At the same time, I hope that the nation will fully understand that Japan's international status has been increasing through these same multilateral free trade negotiations. I think that we must make a broad decision about the point of contact for making a settlement possible. It is a multilateral negotiation, after all. [passage omitted]

Kaifu Welcomes Gorbachev Invitation to G-7

OW0706054191 Tokyo KYODO in English 0440 GMT 7 Jun 91

[Text] Tokyo, June 7 KYODO—Prime Minister Toshiki Kaifu welcomed Friday a proposal by British Prime Minister John Major to invite Soviet President Mikhail Gorbachev to address leaders of seven major industrialized nations next month in London after their annual summit meeting is concluded.

"We are in agreement that (the invitation) should be separate, and not part of the formal summit," Kaifu told reporters.

Major, in a letter to Kaifu, also said that Gorbachev would not discuss economic assistance when he addresses leaders of world's major aid donors after the July 15-17 meeting, Chief Cabinet Secretary Misoji Sakamoto told a regularly scheduled news conference.

Sakamoto said the agenda for talks with Gorbachev would be decided by representatives of leaders of the seven countries who are meeting to plan the summit.

Summit members are the United States, Japan, Germany, France, Britain, Canada, and Italy.

Gorbachev had been expected to make a plea at the meeting for a major infusion of Western financial aid.

Japan remains opposed to providing economic assistance until a solution is found to a territorial dispute over four islands off Hokkaido, northern Japan, grabbed by the Soviet Red Army at the end of World War II.

Although Sakamoto did not rule out a separate meeting between Kaifu and Gorbachev, a senior government source said that Japan does not intend to seek such a private meeting.

In April, Gorbachev became the first Kremlin leader to ever visit Japan, but failed despite six rounds of marathon talks to settle the territorial dispute blocking the normalization of relations between Japan and the Soviet Union, and the funneling of Japanese aid to the beleagured Soviet economy.

Minister Reaffirms Need for Pre-G-7 Meeting

OW0706042691 Tokyo KYODO in English 0409 GMT 7 Jun 91

[Text] Tokyo, June 7 KYODO—Finance Minister Ryutaro Hashimoto repeated Friday his opinion that there is a need to hold a meeting by finance ministers and central bankers before the mid-July London economic summit.

"While monetary policies among the nations largely differ on whether to choose inflationary risks or growth risks, it is necessary to deepen their understanding before the summit meeting in order to avoid it being said that finance ministers and central bankers from the Group of Seven (G-7) industrial nations have lost their functions," he said.

The finance minister made his remarks at a regular press conference after a cabinet meeting.

Earlier, U.S. Treasury Secretary Nicholas Brady had denied any plans for holding a full meeting of finance ministers and central bankers. Finance ministers will attend the G-7 summit in Britain from July 15-17, but central bankers will not.

Meanwhile, Hashimoto said there has been no change in Japan's stance on financial assistance to the Soviet Union, saying that territorial issues must be solved before aid is given.

"There is a principle that political issues and economic issues cannot not be separated... this hasn't changed and it won't change," Hashimoto said.

Two 'Major Loans' Pledged to Syria

OW0706095791 Tokyo KYODO in English 0926 GMT 7 Jun 91

[Text] Tokyo, June 7 KYODO—Japan and Syria on Friday formalized a Japanese pledge of two major loans, Foreign Ministry officials said Friday. Originally pledged last March, the loans were formalized by an exchange of documents in Damascus, officials said.

The officials said the loans were made in connection with the economic problems suffered by Syria in connection with the Persian Gulf crisis and should be viewed as part of Japan's post-crisis efforts in the Middle East.

One of the loans, a commodity loan in the amount of 13.27 billion yen, or roughly 100 million dollars, will carry an interest rate of 2.9 percent per annum, repayable over a 25-year period, with a seven-year grace period. The other, of 51.59 billion yen, will be used to finance construction of a 600-megawatt thermal power plant in Jandar, in the central-western part of Syria.

Officials denied the loans to Syria are inconsistent with Japan's new policy of linking aid to the questions of arms control and military spending by recipient countries, a policy announced by Prime Minister Toshiki Kaifu last April.

Foreign Minister Taro Nakayama said during a visit to Israel last week that Japan shares that country's concern over the arms buildup in the region and over Syria's import of Scud missiles from North Korea.

"The decision to extend the loans to Syria was made much earlier than the prime minister's announced guidelines and we do not intend to apply them retroactively," one official said.

Kaifu To Visit PRC, Mongolia 10-14 Aug

OW0706140091 Tokyo KYODO in English 1349 GMT 7 Jun 91

[Text] Tokyo, June 7 KYODO—Prime Minister Toshiki Kaifu's trip to China and Mongolia has been set for August 10-14, government sources said Friday.

The prime minister originally planned to go August 1-6, but the trip was rescheduled and shortened because of his busy domestic schedule.

Kaifu is determined to call an extraordinary session of the Diet to debate political reform legislation and also wants to be in Japan for the anniversaries of the August 6 atomic bombing of Hiroshima and the August 9 bombing of Nagasaki.

He also hopes to attend ceremonies marking the August 15 anniversary of Japan's surrender in World War II.

Kaifu will spend just one night, rather than two as originally planned, in Mongolia. He plans to offer increased aid to that country, which is moving toward democracy.

This will be the first visit by a Japanese prime minister to China since the bloody suppression of demonstrators in Beijing's Tiananmen Square in June 1989.

The last prime minister to visit was Noboru Takeshita, in 1988.

Kaifu hopes his visit will complete the restoration of Sino-Japanese relations, strained since the Tiananmen incident, to their previous level.

Nakayama To Visit Vietnam, Indonesia

OW0706030191 Tokyo KYODO in English 0148 GMT 7 Jun 91

[Text] Tokyo, June 7 KYODO—Foreign Minister Taro Nakayama will visit Vietnam and Indonesia between June 10-15 on a mission to consolidate political and economic ties and promote the Cambodian peace process, Foreign Ministry officials said Friday.

Officials said Nakayama, the first Japanese foreign minister to visit Vietnam since its reunification in 1976, will arrive in Hanoi on Monday for talks the following day with Vietnamese Foreign Minister Nguyen Co Thach, who is also the country's vice premier.

In the talks, Japan will call on Vietnam to exert its influence to facilitate a Cambodian peace settlement, officials said, adding they expect a somewhat heated debate to transpire over the issue.

Officials said the friction over Cambodia should be tempered by Japan's announcement of a series of measures aimed at supporting Vietnam's economic reforms and encouraging it to maintain a policy of openness to the world.

Japan will not be offering to resume full-scale economic assistance to Vietnam, which remains conditional on a comprehensive Cambodian peace settlement being achieved, ministry officials said.

Nakayama will also meet Prime Minister Do Muoi and Communist Party chief Nguyen Van Linh before flying to Ho Chi Minh City on Wednesday, ostensibly for sightseeing and to inspect a hospital built partly with Japanese funds, the officials said.

According to informed sources, Nakayama will be meeting in Ho Chi Minh City, the former South Vietnamese capital, with Cambodian Prime Minister Hun Sen. The Foreign Ministry did not rule out such an eventuality but said such a meeting has not been firmly fixed.

On Friday, Nakayama will fly to Jakarta for talks with Indonesian Foreign Minister Ali Alatas and President Suharto.

Officials said the two foreign ministers will assess the prospects for peace in Cambodia in the wake of the latest round of peace talks in Jakarta among the four warring Cambodian factions June 2-4.

Japanese aid to Indonesia will also be high on the agenda in light of the holding of a meeting of Indonesia's aid benefactors in The Hague, the Netherlands, June 11-12, officials said.

Nakayama is expected to assure Jakarta that Indonesia will continue to be a priority recipient of Japan's aid even if the donor meeting decides it is no longer necessary to designate the country as eligible for a quick-dispursement, nonproject form of aid called "special assistance."

Joint Statement on Trade With Malaysia Issued

OW0706064591 Tokyo KYODO in English 0621 GMT 7 Jun 91

[Text] Kyoto, June 7 KYODO—Government and business leaders from Japan and Malaysia ended two days of annual talks Friday, agreeing to continued efforts to develop bilateral trade and investment.

They made the pledge in a statement issued at the end of the 14th Joint Meeting of the Japan-Malaysia Economic Association and its Malaysian counterpart, attended by some 150 government officials and businessmen from the two countries.

During the meeting, Malaysian participants called on Japan to rectify a bilateral trade imbalance now heavily in Japan's favor, and to upgrade technologies now being transferred to Malaysia.

Japanese participants responded that more joint ventures were needed to improve Malaysia's competitiveness and help smooth the transfer of technology.

In a speech given to the meeting, Tan Sri Dato Zainal, chairman of Malaysia's Industrial Development Authority, invited Japan to take part in the proposed East Asian Economic Grouping (EAEG), a Kuala Lumpur-championed plan to form an exclusive Asian trade association to counteract similar trade groupings in Europe and North America.

The EAEG proposal, put forth by Malaysian Prime Minister Mahathir Mohamed last December, has been met with caution by Japan and with concern by the United States.

The group meets once a year, alternately in Japan and Malaysia.

Nakayama Interviewed on Trade With France

PM0706075491 Paris LE FIGARO in French 5 Jun 91 supplement p XI

[Interview with Japanese Foreign Minister Taro Nakayama by Jacques Jacquet-Francillon—date and place not given]

[Excerpt] [Jacquet-Francillon] On Wednesday 29 May, the Japanese foreign ministry summoned the French ambassador in Tokyo to "express surprise at the statements (by the new French prime minister—LE FIGARO editor's note) which are not conducive to the development of relations between the two countries—statements which, if they continue, are bound to damage the development of friendly relations." That is a very unusual approach. How should it be interpreted?

[Nakayama] First, I would like to tell you that Franco-Japanese relations have hitherto been good. They must continue to be good and I wish to congratulate Edith Cresson on her appointment to the post of prime minister.

During her predecessor's visit to Japan—in July 1990—Michel Rocard and Toshiki Kaifu, our prime minister, agreed that both sides should make efforts to fundamentally improve Franco- Japanese relations. Since then, in May, I had the opportunity to meet with Mr. Rocard in New Zealand. He told me then that relations between our two countries struck him as satisfactory.

Thus, Roland Dumas and I are today going to sign a new scientific and technological cooperation agreement.

I would also like to recall that, during the Gulf war, because of the French contribution in that region, Japan gave the French Government financial aid of the order of $50 million.

In view of all those relations, it cannot be said that there are currently obstacles or problems between France and Japan. I think that Paris and Tokyo must cooperate more for the world's economic prosperity and political stability.

[Jacquet-Francillon] Edith Cresson accuses Japan of "not honestly playing the game" and of practising excessive protectionism. Eiichi Nakao, Japanese Minister of International Trade and Industry, replies that, "if any market is closed it is the French market..." What do you think?

[Nakayama] I personally do not agree with Mr. Nakao's statement, but I would like to stress that among the world's major countries Japan is the third biggest importer. Mr. Nakao was trying to discuss the problem by recalling that there are here in France limits on Japanese-made cars and video recorders.

[Jacquet-Francillon] In her first general policy speech to parliament, Edith Cresson said she was in favor of the creation of a real "European computer community." Do you see that plan as an additional obstacle to Japanese access to European markets in this sphere?

[Nakayama] Japan welcomes the integration of the European countries in that it will enable them to develop their economies. But Japan does not want European integration to form a closed economic bloc.

In my view, Mrs. Cresson's proposal is an encouragement to French enterprises, especially in the spheres of computers and electronics, to encourage them to overcome their weakness. [passage omitted]

Mitsubishi To Deal in Soviet Debts

OW0706092091 Tokyo KYODO in English 0822 GMT 7 Jun 91

[Text] Tokyo, June 7 KYODO—Mitsubishi Corp. said Friday it is launching a factoring service to buy Soviet-related accounts receivable from U.S. and West European companies and financial institutions.

The Japanese trading giant will buy the accounts receivable at about 70 percent of face value and sell them to Western financing companies at a profit of about 5 percent, company officials said.

In a factoring service, the factor buys accounts receivable and cannot turn to the seller of the accounts if they prove uncollectible.

Mitsubishi is the first Japanese trading company to launch a factoring service involving Soviet debts, and there are reports that the credit risk for such debts is growing.

Trade sources said, however, the resource-rich Soviet Union will pay its debts eventually.

Officials said Mitsubishi so far has been asked to buy 50 million dollars worth of Soviet-related accounts receivables, held by Western companies and financial institutions.

The organization for economic cooperation and development estimates the Soviet Union had outstanding international debts of 52 billion dollars at the end of 1990.

Industry Groups Welcome New U.S. Chip Accord

OW0606123891 Tokyo KYODO in English 1152 GMT 6 Jun 91

[Text] Tokyo, June 6 KYODO—The Electronics Industry Association of Japan (EIAJ) and the U.S. Semiconductor Industry Association (SIA) welcome the renewal of the 1986 U.S. chip pact, an EIAJ official said Thursday.

Hisao Oka, chairman of the users' committee of foreign semiconductors of EIAJ, said he does not know what the outcome of the agreement will be but the EIAJ and SIA will continue to improve communication between U.S. suppliers and Japanese users of semiconductors.

He added that the EIAJ/SIA Steering Committee will also cooperate to improve foreign chipmakers' access to the Japanese market and publicize to Japanese semiconductor users the successful uses of foreign chips in Japanese products made in Japan.

Japanese and U.S. Government officials initialed an accord on Tuesday to extend a semiconductor pact for another five years, which included the end of 165 million dollars in U.S. punitive sanctions placed on Japanese computer products in 1987.

The pact, to take effect on August 1, stipulates that foreign semiconductor makers' share of the Japanese chip market will rise to 20 percent from the current 13 percent by the end of 1992.

Semiconducrs are vital to a host of products ranging from computers and automobiles to household appliances.

The new pact does not guarantee a 20 percent market share to U.S. chip suppliers. This share is being set as a benchmark figure.

U.S. suppliers have made efforts over the past three years to have their products incorporated into Japanese finished products, Oka said.

"However, business is business, but if there are problems over market access, then further discussions and dialogue between U.S. suppliers and Japanese users will be required to remedy the situation," he added.

There were problems with the original agreement. Among them was the fact that Japanese and American methods of measuring market share produced different figures.

The Ministry of International Trade and Industry (MITI) cites foreign semiconductor makers' share of Japan's chip market at about 18-19 percent, while U.S. figures point to a 13 percent share.

Oka said the best way to solve this problem would be to unify both methods but this is difficult.

"Discussions are still continuing on how to measure market share,"he said.

The EIAJ/SIA Steering Committee will also strive to increase dialogue among Japanese small- and medium-sized companies which rarely use foreign semiconductors, compared with major electronics makers such as NEC Corp. and Toshiba.

NEC and Toshiba purchase slightly over 20 percent of their chips from foreign suppliers.

"For smaller Japanese and U.S. companies, trade missions and dialogues will have to be improved at this level and greater efforts from both parties will be needed," Oka said.

Official Rules Out Monetary Policy Change

OW0706110591 Tokyo KYODO in English 1030 GMT 7 Jun 91

[Text] Tokyo, June 7 KYODO—A senior Finance Ministry official on Friday effectively ruled out a change in Japan's tight credit policy in the immediate future.

The official, who declined to be named, said corporate earnings on average have declined but business performance is not so bad.

He added that business groups are not calling in unison for an interest rate cut.

His remarks are regarded as meaning there will be no immediate easing of the tight money policy.

Referring to the current stock market slump, the official said the stagnation is attributable to the stock demand-supply situation and has nothing to do with economic fundamentals and high interest rates.

Report Issued on Interest Rates, Economy

OW0706091691 Tokyo KYODO in English 0820 GMT 7 Jun 91

[Text] Tokyo, June 7 KYODO—High-flying interest rates and a distribution bottleneck are clouding the outlook for Japanese industries, although the overall economy is still in good shape, a government report said Friday.

In its latest report on the health of domestic industries, the Ministry of International Trade and Industry (MITI) said high interest rates, although they have not been felt so far, could dampen corporate capital spending.

The report also said rising costs for distribution caused by a shortage of truck drivers and other workers is one of the principal factors pushing up costs in most industrial sectors.

The chronic labor crunch shows no signs of easing, MITI said.

The recession in the United States has yet to have any major impact on the Japanese economy, the report said.

It, however, added that if the recovery in the U.S. is delayed, a resulting decline in exports to the U.S. is likely to indirectly dampen Japan's domestic demand.

By and large, the Japanese economy is still healthy, but there are some clouds on the horizon, such as falling housing investment, softening individual consumption, and weakening production, the report said.

The trend is reflected in the increase in companies that report dropping profits, it said.

The companies are split over the economy's prospects, it said.

The report is based on a survey conducted in May by MITI covering 145 major companies in 19 industrial sectors.

MITI Reverses Oil Refinery Capacity Policy

OW0606121891 Tokyo KYODO in English 1117 GMT 6 Jun 91

[Text] Tokyo, June 6 KYODO—Reversing an 18-year-old policy, the Ministry of International Trade and Industry (MITI) on Thursday allowed Japanese oil refiners to boost their capacity for primary processing of crude oil.

The move seeks to make Japan's oil supply less vulnerable to the international market's volatility and comes amid the growing demand for oil products like naphtha in the Pacific rim region.

The Agency of Natural Resources and Energy, affiliated with MITI, began allowing Japanese oil refiners to increase their daily processing capacity by 200,000 to 300,000 barrels. This was in response to a recommendation by an advisory panel released Thursday.

The step represents an about-face by the government from its long-standing policy of trimming domestic refineries' capacity.

The agency stopped permitting capacity increases in 1973, and has required refiners to pare down their primary processing since 1987.

The policy has reduced total capacity by 1.4 million barrels a day to 4.55 million barrels. It has been estimated there will be a shortage in refinery capacity of 1.95 million barrels a day in the Pacific rim region by 1995.

The recent volatility in the international market for oil products, especially imports from the Middle East region, coupled with the prospect for a growing demand in the Pacific rim region, has forced the government to reconsider its stance, MITI officials said.

The capacity increase is permitted on the condition that the capacity operating ratio of a company and its affiliates surpasses 80 percent and that there is no excess production.

Capacity increases, which are expected to help strengthen the Japanese oil industry or improve the national security of energy supply, will be given preferential treatment, the officials said.

Easing of Corporate Financing Controls Urged

OW0606120291 Tokyo KYODO in English 0849 GMT 6 Jun 91

[Text] Tokyo, June 6 KYODO—The government should loosen restrictions on corporate fund-raising activities as a languishing stock market is throttling companies' equity financing, a government advisory panel said Thursday.

The panel, releasing a report, urged in particular a major easing of the legal restraints on issuance of corporate bonds and lifting the ban on companies' purchase of their own stocks.

Massive equity financing in the 1980s had augmented corporate financial standings by raising the net worth ratio of companies sharply, from an average of 20.9 percent in 1980 to 36.4 percent in 1989.

But a tightening financial market and rising risks due to liberalization of the financial market are expected to hamper companies' fund-raising activities in the 1990s, according to the report compiled by a subcommittee to the Industrial Structure Council, an advisory body to the Ministry of International Trade and Industry (MITI).

Moreover, the weak stock market and the scheduled enormous amount of redemption of convertible bonds and warrant bonds has made equity financing difficult, it argued.

The total amount of corporate equity financing, issuance of convertible and warrant bonds plus capital increase, plunged to 5,108.6 billion yen in fiscal 1990, almost one fifth of the 26,459.6 billion yen figure in fiscal 1989.

The ratio of equity financing to total corporate fund raising in the financial market dropped to 49.4 percent in fiscal 1990 from 92.3 percent in the previous year.

The redemption of bonds is expected to hit a peak of 6,729.8 billion yen in 1993 even if the Nikkei stock average surges to 30,000 yen from the current level around 25,000 yen.

The report called on the government to drastically loosen the restrictions on issuance of corporate bonds as vital in consolidating the basis for corporate financing in Japan.

Legal restrictions on issuance of corporate bonds in Japan are exceptionally severe among major industrial countries, the MITI report claims.

In Japan, for instance, only companies that have passed tough standards set by underwriters can issue corporate bonds, while the United States imposes no such restrictions, and European countries generally have easier qualification criteria, it pointed out.

Only 400 companies out of about 2,000 listed firms in Japan are allowed to issue unsecured bonds.

Japan is also the only major industrial country that sets a ceiling on the amount of corporate bond issues, the report said.

These and other restrictions concerning the issuance of corporate bonds could stifle fund-raising activities, especially by small companies.

A MITI official said the Japanese legal system concerning corporate financing is "anachronistic" and behind other industrial countries.

"Most of Japanese companies cannot even issue bonds on the domestic market, and are forced to do so on overseas markets," the official said.

"The voices of industries are not well reflected in the ongoing discussions on the reforms of the financial market while financial industries are raking in handsome profits under thick protection," he said.

The report also called for scrapping prohibitions against companies buying their own shares like U.S. companies are permitted to do.

Such a step would help lower money raising costs for companies, boost stock prices, and enable companies to send signals to the stock markets that they perceive the current price levels of their stocks are too low, the report said.

With proper restrictions, allowing firms to purchase their own stocks would neither erode companies' financial standing, nor conflict with the principle of equality among shareholders, nor encourage insider trading, nor make the companies vulnerable to greenmailing, it said.

The report also recommended measures to increase competition among Japanese financial institutions, and to make it easier for venture businesses to raise funds.

Business Groups Urge Early Political Reforms

OW0606141791 Tokyo KYODO in English 1330 GMT 6 Jun 91

[Text] Tokyo, June 6 KYODO—Five major economic organizations on Thursday handed Prime Minister Toshiki Kaifu a joint "urgent" proposal, calling for an early realization of political reforms.

The groups are the Federation of Economic Organizations (Keidanren), the Japan Federation of Employers' Association (Nikkeiren), the Japan Chamber of Commerce and Industry, the Japan Association of Corporate Executives (Keizaidoyukai), and the Kansai Economic Federation (Kankeiren).

As a representative of the groups, Gaishi Hiraiwa, chairman of Keidanren, visited the prime minister at his official residence and handed the proposal, according to group officials.

The officials said the proposal, written in the name of each group's leaders, stated that the planned political reforms are now their "greatest concern."

It urges the government to call an extraordinary Diet session as early as possible, and pass the political reform bills which have been suggested by the ruling Liberal Democratic Party (LDP).

Deadlocked reform plans on such issues as the Diet system and election system for the House of Councilors should be studied specifically, it said.

On the issue of political funds, the proposal requested the government to open the record of how such money is spent, while the business sectors on their part would restrict themselves in making donations to political funds, the officials said.

Hiraiwa told Kaifu that the business sectors will back the prime minister with reforms of their own, they said.

Kaifu replied that he will push for the reforms step by step, adding that negotiations are under way with opposition parties.

The officials said Thursday's proposal reflects the business sectors' concern over the fact that there is persistent opposition within the LDP despite reform bills being proposed in the party's name.

Politicians View Party Reform Bills

Obuchi Comments

OW0506140391 Tokyo NHK General Television Network in Japanese 1000 GMT 5 Jun 91

[Text] Keizo Obuchi, secretary general of the Liberal Democratic Party [LDP] who is now on a visit to the ROK, said that work to compile bills on political reform may not be completed by the end of this month. Obuchi had talks with Japanese reporters today, and noted that the LDP is still divided on the question of allocation of one-seat constituencies.

In connection with the fact that Prime Minister Toshiki Kaifu has been saying that he wants the bills ready before July, Obuchi said that Kaifu might just mean that the LDP should complete the bills as soon as possible. He noted that the allocation plan is unlikely to be completed until the end of this month, and that the LDP has not yet finalized its policy on the issue. He added that due party procedures must also be observed after the allocation plan comes out. Obuchi thus indicated his view that the political reform bills are unlikely to be made ready within this month.

Obuchi then touched on an extraordinary session of the Diet proposed to discuss political reform plans. He said that an early opening of a Diet session before finalizing the bills could cause many problems, although some LDP members want the session to be convened regardless of whether the bills are ready or not. Obuchi thus repeatedly noted that the extraordinary Diet session should be convened after the LDP finalizes the political reform bills.

DSP's Ouchi To Propose Reform

OW0506140591 Tokyo NHK General Television Network in Japanese 1000 GMT 5 Jun 91

[Text] Keigo Ouchi, chairman of the Democtatic Socialist Party who is currently visiting China, disclosed his plan to propose that the other opposition parties jointly draw up a plan to check the Liberal Democratic Party's election system reform plan, which calls for a combination of one-seat constituencies and a proportional representation system. He said that political reform should be based on current medium-size constituencies, but the legal limit of the disparity of the value of one vote may be eased to the ratio of one to three because it is an easier goal to achieve in comparison with the current legal limit of the ratio of one to two. He made the remarks when speaking with Japanese reporters in Shanghai today.

Regarding political reform, Ouchi said that political reform should be based on reducing the number of Lower House members, as the number is currently over the legal limit. He noted that the overall election system can be reformed after correcting the quota of the Lower House seats.

Ouchi said that while it may take time to completely correct the unconstitutional state of the disparity in the value of one vote, it would not necessarily be difficult to take a measure for quick relief. Ouchi thus noted that the opposition parties should work to compile a joint proposal to hold down the disparity to less than the ratio of one to three as a tentative goal.

Miyazawa Supports Election

OW0606142291 Tokyo KYODO in English 1324 GMT 6 Jun 91

[Text] Bangkok, June 6 KYODO—Japan's former Deputy Prime Minister Kiichi Miyazawa called Thursday for the next president of the governing Liberal Democratic Party (LDP) to be elected by both LDP parliamentarians and rank-and-file party members, rather than through backstage negotiations by party factional leaders.

"Any presidential aspirant should be allowed to run for the post, in accordance with a basic LDP rule providing for a presidential election," Miyazawa said.

Miyazawa, himself a prime ministerial hopeful and the leader of the third-largest faction within the ruling party, was replying to questions during a lecture session with Japanese executives in Bangkok.

The LDP president will automatically become prime minister because of the party's stable majority in the 512-seat House of Representatives.

While calling for an LDP presidential election, the veteran politician apparently tried to put a lid on intra-party calls for the reelection of Prime Minister Toshiki Kaifu, whose current two- year term as LDP president expires on October 30.

Miyazawa said Kaifu "has already completed his mission of alleviating the (creditability) crisis suffered by our conservative party."

Kaifu was hand-picked as a stopgap leader after internal maneuvering by former Prime Minister Noboru Takeshita, Japanese political analysts said.

Almost all LDP faction leaders and senior politicians were sidelined from the political center stage by the Recruit bribery scandal that threatened to erase voter support for the ruling party.

Miyazawa, who himself was forced to resign as finance minister after being implicated in the stocks-for-favors scandal, said his party still needs to regain the trust of voters by honoring its pledge to clean up Japan's corrupt political scene.

"I agree with Mr. Kaifu's assertion that political reforms should be carried out," he said.

He hinted at his endorsement of a proposal to call an extraordinary Diet session this summer to enact political reform bills.

Opposition parties have charged that the political reform bills, even if legislated, cannot effectively deal with questionable political fund-raising practices, such as those revealed in the wake of the Recruit scandal.

Miyazawa said a selection of the next LDP president through back- room maneuverings would revive "public criticism that the LDP is averting serious policy debate," on which such a decision should be based.

"The LDP presidential election should be held before the public by summoning both LDP parliamentarians and LDP supporters for a vote," he said.

No Compensation Sought for Radiation Leak

OW0606181791 Tokyo KYODO in English 1410 GMT 6 Jun 91

[Text] Tokyo, June 6 KYODO—Kansai Electric Power Co. will not seek compensation from Mitsubishi Heavy Industries Ltd. for its incorrect installation of a part of equipment which is believed to have caused a radiation leak at its Mihama Nuclear Power Plant in Fukui Prefecture in February, the company president said Thursday.

Kiyoji Morii said at a press conference, "the manufacturer should be responsible. But we have been operating the plant for 19 years and had a chance to find the defect."

"We are also to blame for failing to prevent the accident. We have no plan to seek compensation at the moment," Morii said.

His remarks came on the heels of the release of the government's interim report on the accident at Mihama Nuclear Plant's No. 2 reactor, which found an antivibration bar (AVB) was not installed properly by Mitsubishi Heavy Industries.

Morii also said he sent a letter to Mitsubishi President Kentaro Aikawa asking for a thorough investigation into the accident and improvement of the company's control system.

Mitsubishi, in response, promised it will make every effort to discover the cause of the accident, he said.

Kansai Electric Power also announced pay cuts on the president and seven other executives for the incident and the resultant suspension of the power plant.

Highest-Temperature Superconductor Developed

OW0606152691 Tokyo KYODO in English 1429 GMT 6 Jun 91

[Text] Tokyo, June 6 KYODO—Japan's superconductivity research laboratory on Thursday unveiled a superconductor that works at a higher temperature than any previously developed.

The superconductor has a critical temperature of minus 146 degrees C, compared with the minus 148 degrees C achieved in 1988 by the University of Arkansas team which discovered and developed it.

Critical temperature is the temperature at which a substance becomes superconducting, meaning that electrical resistance vanishes. The higher the critical temperature, the easier and cheaper it will be to put a superconductor to practical use.

The superconducting material developed in Arkansas and improved by the Japanese laboratory is an oxide of thalium lineage, which is made up of thalium, barium, calcium and copper.

The laboratory said it made various attempts to improve the superconductor production process to maximize the uniformity of the superconductor's crystal structure.

Hisao Yamauchi, leader of the research team, said the powdered raw material is first sintered at 890 degrees C. The sintered powder is then contained in a vacuum state in an evacuated quartz tube, and annealed at 750 degrees C for 250 hours.

The long period of annealing brings on a generally uniform crystal structure, he said.

The laboratory said that, in the case of its superconductor, the so-called "Meissner effect," indicating the superconductivity of a substance, begins appearing at minus 143 degrees C.

Shoji Tanaka, head of the laboratory, said the crystal structure of the superconductor is not fully uniform. If an ideally uniform crystal structure can be produced, the superconductor's critical temperature will be another three degrees C higher, he said.

Mongolia

'Scathing' Party Statement on Government Work

OW0606132391 Beijing XINHUA in English 1310 GMT 6 Jun 91

[Text] Ulaanbaatar, June 6 (XINHUA)—The executive body of the ruling Mongolian People's Revolutionary Party (MPRP) issued a scathing statement today criticizing some activities of the Small Hural and the government bureaucracy today.

The MPRP said certain laws adopted by the Small Hural (standing body of the parliament) failed to adequately address the present situation in Mongolia. The statement added the government should raise its level of efficiency in dealing with daily affairs.

MPRP warned that the country is in a deep crisis characterized by financial difficulties, fuel, electricity, food and raw material shortages, with the party saying Mongolia faced collapse if effective measures weren't taken.

They sharply denounced the position that views "the current slide towards a hellish economic crisis as a normal phenomenon," saying this stance is politically irresponsible.

Social chaos and an attitude of apathy are intensifying in Mongolia; these dangerous trends have been fueled by a rapid increase of government employees who have wasted financial resources and improperly enforced national laws set by state organs, the MPRP statement said.

The social and economic crises have some connection to mistakes made in the past, but the errors committed during the process of reform and the flawed decisions currently being made have worsened the situation, the statement said, claiming the MPRP is not responsible for all the mistakes that have been made.

It condemned certain parties and political groups for raising demands in the political and economic arena that cannot be met, given the current domestic situation.

The MPRP expressed the worry that certain forces are trying to undo the achievements made over the past 70 years since the founding of the Mongolian People's Republic. The party emphasized the progress made by the Mongolian people since 1921 remain the basis for future state development and reforms, and that the history of this fact is undeniable.

The ruling party also made clear its stand of restraint and conciliation under the current situation, saying this policy should not be perceived as weakness or indecision by the MPRP.

Concerning foreign relations, the MPRP statement said that relations with Soviet Union and China remain the top priority in Mongolia's foreign policymaking. The traditional friendship between the peoples of these three nations is still treasured despite changes in the international climate.

It is a precondition for guaranteeing Mongolia's independence and fundamental interests to develop relations with its two big neighbors, considering the country's historic destiny and on the basis of international law, the statement said.

New Draft Constitution Published 6 Jun

OW0606103791 Beijing XINHUA in English 1023 GMT 6 Jun 91

[Text] Ulaanbaatar, June 6 (XINHUA)—Mongolia published a new draft constitution today under which the name of the country, the People's Republic of Mongolia, would be changed into Mongolia.

The draft constitution was approved at the Third Committee of the Small Hural (the standing body of the parliament) on May 25.

According to the draft, which was carried in the newspaper "PEOPLE'S RIGHT" Wednesday, Mongolia would take on the system of the three branches of power and continue to have its capital in Ulaanbaatar.

The supreme organ of state power would be the Great Hural (parliament), to be composed of 75 members elected by direct vote for a six-year term. Except its chairman, half of its members would be replaced in every three years. The parliament would be in session for 75 working days in every six months.

According to the constitution, a citizen of at least 40, who has lived in Mongolia for the past five years and is of the Mongolian origin for three generations, would be entitled to the presidency, whose tenure is four years.

All parties that have a seat in the Great Hural would have the right to nominate presidential candidates. The president could veto laws and resolutions of the Great Hural. The presidential veto would be turned down if it fails to be approved by an absolute majority of the parliament.

The president would concurrently be the chairman of the National Defense Council and the commander-in-chief of the Armed Forces.

The draft will be discussed by the whole nation between June 10 and September 1 and submitted to the Small Hural before October 1 for further deliberation.

North Korea

Meetings Held To Condemn U.S., No Tae-u Group

SK0606053891 Pyongyang KCNA in English 0413 GMT 6 Jun 91

[Text] Pyongyang June 6 (KCNA)—Meetings condemning the U.S. imperialists and the No Tae-u ruling group for their brutal murder of South Korean students were held at the Kim Chaek University of Technology, Pyongyang University of Medicine, Kim Chong-tae Electric Locomotive Complex and Nampo Municipal Youth Construction Brigade on June 3 and 4.

At meetings the speakers vehemently denounced the fascist bandits of South Korea for brutally beating coed Kim Kwi-chong of Songkyunkwan University to death after beating to death student Kang Kyong-tae in cold blood during a demonstration.

They said that the responsibility for such atrocious murder lies with the U.S. imperialists and the No Tae-u ruling group which have created a bloody murderous situation and resorted to harshest fascist tyranny.

The No ruling group is answering the just struggle of students and people with the intensification of fascist suppression, far from apologizing to the people for its brutal outrages and stepping down, the speakers pointed out, and emphasized:

With no repressive moves can the No ruling group block the just struggle of patriotic students and people for independence, democracy and reunification or bolster up its crumbling colonial ruling system.

The speakers urged the No ruling group to squarely look at the demands of the times and step down without delay before meeting a shameful end.

South Korean students should put an end to the colonial rule of U.S. imperialism and revenge upon the No ruling group of murderous bandits a hundred and thousand fold by waging a vigorous struggle for independence, democracy and reunification to satisfy the martyrs' grudges, stressed the speakers.

More Denunciation Meetings Held

SK0706050291 Pyongyang KCNA in English 0445 GMT 7 Jun 91

[Text] Pyongyang June 7 (KCNA)—Meetings condemning the U.S. imperialists and the No Tae-u fascist clique for murdering South Korean students were held in the northern half of Korea.

Students of the Pyongyang University of Light Industry and the Kim Chong-tae University and workers of the October 5 automation general works and the June 4 rolling stock complex separately met Thursday to bitterly denounce fascist murderers, shouting slogans "Let them pay for the blood of the South Korean patriotic martyrs a thousand fold," "Down with the No Tae-u military fascist clique, a group of murderers" and "Active support and encouragement to the anti-U.S., anti-fascist struggle of the South Korean people and students."

They branded the No Tae-u ruling group which killed Kim Yong-kyun, Chon Se-yong, Pak Song-hui, Kim Kwi-chong and other patriotic students in succession after the murder of student Kang Kyong-tae as a truculent butcher of the nation and heinous human slaughterer who does not hesitate to commit murder for personal distinction and wealth, utterly bereft of human reason and national conscience.

Noting that the present rulers cannot conceal their murderous color by such a crafty ruse as "cabinet reshuffle," they said No Tae-u should step down without delay, not resorting to a foolish petty trick to maintain his remaining days.

University Meeting Enrolls Dead South Student

SK0606074291 Pyongyang KCNA in English 0507 GMT 6 Jun 91

[Text] Pyongyang June 6 (KCNA)—Teachers and students of Kim Chaek University of technology held a general meeting on June 5 to register in a second-year class of the computer course of the computer faculty of the university Chon Se-yong, a second-year student of the computer course of Kyongwon University in South Korea, who had committed self-immolation by setting himself ablaze in protest against the U.S. imperialists and the South Korean military fascist ruling group.

At a rally denouncing the fatal beating of Kang Kyong-tae, Chon Se-yong set himself afire and jumped off the second floor of the university building, shouting murderous No Tae-u 'regime,' step down". [punctuation as received with no opening quotes] He left a will asking his fellow students to take the van in the struggle to overthrow the present "regime".

The reporter and speaker said that his heroic death was a manifestation of his courageous determination to rouse his fellow students to turn out to the street of resistance by setting himself aflame for independence, democracy and reunification.

The registration of student Chon Se-yong as an honorary student of the university is a token of warm hearts and a compatriotic step of the students in the North to bring into full bloom the cherished wish of Chon who dedicated his youth and life to the altar of democracy without [word indistinct] for independence, democracy and reunification, they noted.

A letter to the professors and fellow students of Kyongwon University of South Korea and his parents was adopted at the meeting.

The letter said that although Chon Se-yong is dead, the desire in his lifetime is being cherished deep in the hearts of his fellow students and getting into bloom, extending active support and encouragement to the just struggle of southerean students, professors and parents determined to make Chon's death shine.

South Paper Cited on Sport Circles Surveillance

SK0606053691 Pyongyang KCNA in English 0418 GMT 6 Jun 91

[Text] Pyongyang June 6 (KCNA) - The South Korean paper HANGYORE SINMUN exposed the fact that operatives of the puppet secret affairs command (SAC) had kept a watch on the sports circle.

The paper said that they have systematically collected informations of what sports officials said, the movement of trade unions and overseas dispatch of players of sports teams.

Each time there was a game abroad, the "SAC" put pressure upon the sports circles to include its operative in the group of executives, the paper noted. The "SAC" threatens that the sports leadership which refuses to appoint those recommended by it would not be safe, said the paper.

South's Police Director's Statement Denounced

SK0606073391 Pyongyang KCNA in English 0446 GMT 6 Jun 91

["Utterances of Murderer"—KCNA headline]

[Text] Pyongyang June 6 (KCNA)—The director of the puppet national police headquarters of South Korea in a "statement on June 3 threatened that strong measures would be taken against successive protests of students, branding them as "violent demonstrations" and expressing "regret", according to a radio report from Seoul.

He revealed his intention to intensify suppression, freely charging that the fifth-term inaugural ceremony of the National Council of Student Representatives (Chondaehyop) held in Pusan was of "violent nature", which was designed to overthrow the system".

These utterances of the murderer are regarded as a desperate move to destroy Chondaehyop which has taken the lead in the struggle for the democratisation of society and national reunification and to handcuff students who are fighting for justice even putting their youth on the altar of democracy.

Who on earth commanded the fatal beating of a student with iron pipes and murder of students with tear gas canisters and tortures when they were holding peaceful demonstrations, shouting such slogans common to the South Korean people as "Oust the No Tae-u 'regime'" and "End the security-oriented rule?" How can this man grumble about "violent nature" of students' demonstrations.

Only doom is awaiting the No Tae-u fascist group which is kicking and screaming, saying it would never surrender the fascist dictatorial "regime" even if it must jail all the participants in struggle.

Rearrest of Rev. Mun Ik-hwan in South Reported

SK0706055791 Pyongyang KCNA in English 0455 GMT 7 Jun 91

[Text] Pyongyang June 7 (KCNA)—The South Korean fascist clique jailed again the Rev. Mun Ik-hwan in Yongdungpo prison on June 6, a radio report from Seoul said.

They cancelled the suspension of penal servitude on the pastor and arrested him in front of his house in Suyu-tong, Seoul, and took him to the prison.

The No Tae-u ruling group arrested him in April 1989 on charges of violation of the fascist "National Security Law" after he visited the North in his seventies out of the desire for national reunification and subjected him to inhuman persecution. They continued the persecution even after they released him in October last year by suspension of penal servitude, yielding to the strong demand for his release at home and abroad.

They put him under house arrest in December last year to keep him from having a contact with reporters of our side staying in Seoul to cover the third round of inter-Korean high-level talks and detained him again at home in January this year after he was elected chairman of the South side's preparatory committee for the Pan-Korean Alliance for National Reunification.

The fascist clique placed him under house arrest when the pastor was going to attend a rally for national reunification marking the second anniversary of his visit to the North to be held at Kyonghui University in April last.

This time, they took him back to the prison, upset by his strong will and activities as he joined the students and dissident forces in the struggle against fascism and for democracy and national reunification and encouraged the people in the struggle after the fatal police beating of Kang Kyong-tae.

In this the No Tae-u ruling group intend to break his fighting spirit and stifle the dissidents and the forces advocating independence, democracy and reunification.

Charges Against South Student Leader Viewed

SK0706051491 Pyongyang KCNA in English 0450 GMT 7 Jun 91

[Text] Pyongyang June 7 (KCNA)—The South Korean authorities committed a fascist crime in demanding a prison term of ten years for student Chon Mun-hwan who was chairman of the Pyongyang Festival Preparatory Committee of the South Korean National Council of Student Representatives (Chondaehyop), on the charge of violation of the "National Security Law".

NODONG SINMUN today brands this as part of the brutal suppression to stifle the pro-reunification patriotic forces and another unpardonable criminal act which can be committed only by such anti-reunification splittist bandits as No Tae-u.

The news analyst says:

As for "Chondaehyop", it is an organisation representing the one million students of South Korea and a lawful organisation recognized by the South Korean authorities. It was a legitimate right of "Chondaehyop" to send its delegate to the 1989 Pyongyang festival, an international festival of youth and students, upon official invitation. And, from national viewpoint, it was a good thing deserving praise for "Chondaehyop" to have sent its delegate to Pyongyang in a bid to promote national reconciliation and unity between the North and the South and accelerate reunification.

But the No Tae-u ruling group alone regarded this righteous patriotic deed as a crime, threw coed Yim Su-kyong, father Mun Kyu-hyon and other visitors to the North into prison and is persecuting them and now is making even student Chon Mun-hwan who was chairman of the Pyongyang Festival Preparatory Committee of "Chondaehyop" as a target of punishment.

This proves once again that the No Tae-u ruling group is not interested in reunification in the least.

The No group must look squarely at the trend of the times, stop at once the suppression of the pro-reunification patriotic forces and set free immediately the arrested visitors to the North.

Reunification Symposium Letter to South Adopted

SK0706091991 Pyongyang Korean Central Broadcasting Network in Korean 1319 GMT 29 May 91

[Letter adopted at the symposium of politicians, scholars, and newsmen held on the method of reunification at the People's Palace of Culture on 29 May—read by an identified symposium participant]

[Text] Letter to South Korean politicians, scholars, and newsmen:

The division of our nation, which was imposed by foreign force, has passed the years of disgrace and persisted nearly half a century. If the division of the country and nation is allowed to continue, our nation will never be freed from the present misfortune and agony; the country will not develop, and the nation will not achieve prosperity and growth.

Only the nation's suffering will grow further, if the division is allowed to continue. And only the foreign force and an extremely small number of divisionist elements will profit from our nation's growing agony.

Our people have lived with uncontrollable grief (?due to the division) and have suffered for 46 years as a miserable victim of the division caused by the foreign force.

Today, all Koreans in the North and South and abroad are resolutely setting out on the road to reunification, because they can no longer tolerate the suffering caused by the tragedy of the division, nor allow it to continue.

Making 1995, which would mark the 50th anniversary of the fatherland's liberation and 50 years since the beginning of the division, a year of the reunification is a common aspiration of our people and their clear goal which no one can block.

The politicians, scholars, and newsmen of the northern half of our Republic, keenly aware of their historic mission before the era and deeply realizing the nation's lavalike aspiration for the reunification at a time when all compatriots of the North and South and abroad are joining the grand pan-national march toward the reunification during the 1990s, are holding today the symposium on the great principle on the method of the reunification of the fatherland and sending this letter to you—the politicians, scholars, and newsmen of South Korea.

The politicians, scholars, and newsmen of the North and South can differ in political views, ideas, and assertions. However, they cannot and should not differ in their aspiration and wish for the country's reunification. This is because the country's reunification is the task to end the nation's division imposed by the foreign force and to rescue our nation. At the same time, the reunification movement is a common cause to end the nation's misfortune and agony which all of us are suffering in the North and South.

Without undertaking the task to achieve the reunification of the fatherland for the sovereignty of the nation, for reconciliation and unity, and for reuniting the severed blood lineage of the nation, Korea's politicians, scholars, and newsmen cannot think of their mission.

Now is indeed time for our politicians, scholars, and newsmen to join the pan-national reunification movement and vigorously accelerate the people's grand reunification march, instead of viewing the torrential trend toward the nation's reunification as something which has nothing to do with them.

Today, when the reunification of the fatherland is not a distant but an urgent task, it is very important and urgent to establish the nation's common reunification method. Otherwise, the North and South cannot keep step with one another toward the common goal for the reunification of the fatherland and nothing can be achieved, even if dialogue is held.

We already have the great principle of the method of reunification which has been put forth through an unbiased and correct insight into the situation of the country.

Reunifying the country under a confederal system based on the principle of one nation and one state, two systems and two governments, as elucidated by the respected and beloved President Kim Il-song, is a great principle of the method of national reunification befitting the prevailing situation of our country.

Under the circumstances in which two different systems exist in the North and South and neither side is ready to yield what it has, this principle is the fairest and most adequate principle of reunification, which envisages the country's reunification under a confederal system without swallowing the other side or being swallowed by the other side.

This is also the most realistic and rational principle to prevent the perpetuation of the division of the country into two Koreas, while guaranteeing the coexistence of the North and South, peace in the country, and a peaceful reunification.

Our proposal for establishing the democratic confederal republic of Koryo [DCRK] is precisely a complete embodiment of the great principle of the method of the fatherland's reunification. Thus, it is, with each passing day, earning even more positive support and sympathy from a broad strata of people in the North and South and abroad. It has become a basic subject in the pan-national reunification debates.

Acknowledging the demand of reality for working out a common national reunification method by reflecting the wish of the people of all strata as soon as possible, we put forth the proposal for convening a political consultative conference for national reunification to be participated in by representatives of the authorities, political parties, and public organizations of North-South.

The political consultative conference for national reunification can be a place of most universal negotiation: the broad way to the independent and peaceful reunification would be jointly paved by achieving a national consensus under the noble idea of grand national unity. At the same time, it can be an historic meeting of reunification, where a national consensus would be achieved on the method of the reunification of the fatherland.

However, the political consultative conference for national reunification has not yet been convened because of the hampering maneuvers of the divisionist forces which are not desirous of joining the ranks of the nation for reunification.

This being the situation, we feel that it would greatly help achieve the cause of the reunification of the country, if, at least, the politicians, scholars, and newsmen of the North and South meet first to seek the method of reunification by agreeing with one another.

Proceeding from this, we cordially propose to hold the grand symposium of the politicians, scholars, and newsmen of the North and South in late July or early August this year. We think that either Pyongyang or Seoul is appropriate as its venue. However, if it would be difficult for the politicians, scholars, and newsmen of the South to come to Pyongyang or if the situation would not permit them to have the symposium in Seoul, a nearby third country could be chosen as the site.

About 50 people may take part in the grand symposium respectively from the North and South, while interested overseas compatriots may also participate.

The proportion of politicians, scholars, and newsmen participating in the symposium may be set as each side thinks convenient.

We see no reason why the politicians, scholars, and newsmen of the North and South cannot meet face to face and discuss the method of the reunification, at a time when dialogue is held between the authorities and when private citizens of all walks of life call for meeting with one another.

The sportsmen of the North and South, filled with the joy of being united as one, are calling on us to move forward to reunification and the hot-blooded youths of the South are putting their bodies in the flames of independence, democracy, and reunification to call on the nation to awaken. Under these fiery circumstances, it would be disgraceful if our politicians, scholars, and newsmen—who deal with political affairs, who contribute to developing the society with their knowledge, and who represent the public opinion of justice—still continue to ignore the exploding aspiration of the people for reunification and keep the door closed to one another.

Whether we contribute to the pan-national movement to consummate the cause of the reunification will show if our politicians, scholars, and newsmen truly work for the country.

Whether our politicians, scholars, and newsmen proudly become the main force of the reunification movement in the history of the nation or whether they become the target of condemnation in the future for not doing anything today will totally depend on our decision.

We are people in the same line of work as you who value justice, conscience, and principle. So we appeal to the patriotic conscience of the politicians, scholars, and newsmen of the South to rise to take the lead in paving the way to reunification, instead of grieving over the disgrace of the division and the tragedy of the national trial.

We think that the politicians, scholars, and newsmen of the North and South, under the noble idea of the reunification of the fatherland, should encourage the reunification movement of the nation by earnestly seeking the way to national reunification by sitting face to face.

Firmly believing that the politicians, scholars, and newsmen of the North and South can play leading roles in achieving a national consensus on the matter of the reunification of the fatherland and open a new phase in the reunification movement, if they trust one another and concentrate their wisdom and efforts by surpassing the differences in their ideologies and system, we express our expectations that the politicians, scholars, and newsmen of the South, with ardent patriotism, will resolutely respond to our proposal.

Participants in the symposium of the politicians, scholars, and newsmen on the grand principle of the method of the fatherland's reunification, 29 May 1991, Pyonyang.

VNS Cited on 3 Jun Hanminjon Declaration

SK0606154791 Pyongyang KCNA in English
1511 GMT 6 Jun 91

[Text] Pyongyang June 6 (KCNA)—The Central Committee of the South Korean National Democratic Front (Hanminjon) published a declaration on the situation Monday in connection with the massive resistance to terminate the "security-oriented rule" and oust the present "regime" in South Korea, according to radio Voice of National Salvation [VNS] from Seoul.

The declaration said:

The May struggle that erupted after the murder of Kang Kyong-tae developed into a nation-wide joint struggle embracing nearly three million people of all walks of life, raising a new wind of resistance for democracy throughout South Korea. Noting that the people should put an end to the military dictatorship, holding higher the banner of struggle for democratisation, the declaration called for crushing the "security-oriented rule" and carrying on democratic reform.

It demanded that the "Security Planning Board," the "secret affairs command", riot police and the white bone group, the foundation of the "security-oriented rule," and other fascist repressive tools be dissolved, an institutional mechanism be secured to guarantee the neutrality of government power and the arrested reunification champions and all the prisoners of conscience be set free.

It called for overthrowing the No Tae-u military dictatorial "regime," establishing a democratic government, expelling Gregg, the proconsul who manipulates and supports the military dictatorial "regime" behind the scene, smashing the political interference of the United States and driving Yankees out of this land.

SKNDF Representative Appeals to U.S. Koreans

SK0506102891 Pyongyang KCNA in English
1009 GMT 5 Jun 91

[Text] Pyongyang June 5 (KCNA)—Yi Chong-sang, representative of the National Democratic Front of South Korea [SKNDF] (Hanminjon) in Cuba, appealed over Radio Havana International May 29 to the one million Korean residents in the United States to actively join in the sacred cause of democratization of South Korea and national reunification.

He stated that Hanminjon is a patriotic vanguard organization of the South Korean people which is struggling for the three tasks—independence, democracy and reunification—having set it as its immediate tasks to liquidate the U.S. colonial rule over South Korea and establish an independent regime of the nation there.

I call upon the one million compatriots residing in the United States to pay deep attention to the recent situation of "South Korea" and actively join the people in the struggle for the removal of the fascist dictatorial system, the democratization of society and national reunification, he said.

The role of the Korean residents in the United States is required more urgently than ever before in the cause of getting the South Korean policy of the U.S. rectified, and its forces and nuclear weapons withdrawn and achieving peace and reunification of the Korean peninsula, he added.

U.S. Aerial Activities for 4 Jun Reported

SK0606071691 Pyongyang KCNA in English 0442 GMT 6 Jun 91

[Text] Pyongyang June 6 (KCNA)—The U.S. Pacific airforce and navy commands staged a joint aerial war game against the DPRK in the skies above South Korea Tuesday, according to military sources.

Mobilized in this exercise staged for hours several times in the skies above Sosan peninsula and its surroundings were Pacific-based formations of nuclear-capable F-16 fighter-bombers, assault planes, AWACs, observation planes and more than 200 fighter bombers, reconnaissance, observation and transport planes belonging to the U.S. Airforce in South Korea and the puppet airforce.

That day U-2 high-altitude strategic reconnaissance planes and different types of tactical reconnaissance planes flew in the sky above the area along the Military Demarcation Line [MDL] to commit espionages on the depth and front area of our side.

And in the east and west seas combat warships of different types engaged in an intensive joint attack drill on waters aimed at invasion of the North with the support of the flying corps.

Warplanes involved in the aerial operation in the skies of South Korea that day totalled 550 or more.

On the same day the South Korean puppets set afloat an aerial target in the sky above Sangdo-ri of Kanghwa Islet near the MDL and intensively fired large calibre anti-aircraft machine gun bullets at it to openly commit hostile acts against us.

Friendship Gathering With PRC Children Held

SK0206104191 Pyongyang KCNA in English 0835 GMT 2 Jun 91

[Text] Pyongyang June 2 (KCNA)—A friendship gathering of school children of two border cities Sinuiju, North Pyongan Province of Korea, and Dandong of China, was held in Sinuiju on June 1 on the occasion of the June 1 International Children's Day.

A colorful art performance was given by school children of the cities at the gathering which proceeded in an atmosphere overflowing with friendly feelings.

The participants visited the primary school attached to Yangsil University and had various sports and amusement games, deepening feelings of friendship.

The Sinuiju City Committee of the League of Socialist Working Youth of Korea arranged a party for the school children from Dandong.

Choe Tae-pok Meets PRC Literature Delegation

SK0406152091 Pyongyang KCNA in English 1512 GMT 4 Jun 91

[Text] Pyongyang June 4 (KCNA)—Choe Tae-pok, secretary of the C.C. [Central Committee], the Workers' Party of Korea, Monday met and had a friendly conversation with the delegation of the China Federation of Literature and Art Circles headed by Xu Xiaobing, member of the National Committee of the Chinese People's Political Consultative Conference and vice-chairman of the Chinese Cameramen's Society.

Ministry Hosts Reception for PRC Officials

SK0406154291 Pyongyang KCNA in English 1522 GMT 4 Jun 91

[Text] Pyongyang June 4 (KCNA)—The Foreign Ministry Monday hosted a film reception for officials of the Chinese Embassy in Pyongyang.

Invited there were Chinese Ambassador Zheng Yi and his embassy officials.

Vice-minister of Foreign Affairs Cha Pong-chu and other officials concerned were present.

The participants appreciated the DPRK documentary film "Comrade Li Peng, premier of the State Council of the People's Republic of China, Visits Our Country."

PRC National People's Congress Delegates Visit

SK0406212591 Pyongyang KCNA in English 1624 GMT 4 Jun 91

[Text] Pyongyang June 4 (KCNA)—A delegation of the National People's Congress of China headed by Peng Chong, vice-chairman and secretary-general of its standing committee, arrived here today.

It was met at Pyongyang Railway Station by Vice-President Yi Chong-ok, Chairman of the Supreme People's Assembly Yang Hyong-sop and Chinese Ambassador to Korea Zheng Yi.

Yi Chong-ok Meets Chinese NPC Delegation

SK0506044191 Pyongyang KCNA in English 0407 GMT 5 Jun 91

[Text] Pyongyang June 5 (KCNA)—Vice-president Yi Chong-ok met with the delegation of the National People's Congress [NPC] of China headed by Peng Chong, vice-chairman and secretary-general of its Standing Committee, when it paid him a courtesy call at the Mansudae Assembly Hall Tuesday.

Present on the occasion were Yang Hyong-sop, chairman of the Supreme People's Assembly, and Zheng Yi, Chinese ambassador to Korea.

Soviet Naval Delegation Visits Martyrs' Tomb

SK0606083891 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 3 Jun 91

[Text] The Soviet naval delegation led by Admiral Konstantin Vasilyevich Makarov, first deputy commander-in-chief and staff chief of the Soviet Navy, on 3 June laid wreaths at Mt. Taesong Revolutionary Martyrs' Tomb, Friendship Tower, and Liberation Tower.

Vice Admiral Hwang Sok-kyun of the Korean People's Army [KPA]; Aleksandr Kapto, Soviet ambassador to our country; and a naval attache of the Soviet Embassy to our country were on hand.

Honor guards of the KPA were present at Mt. Taesong Revolutionary Martyrs' Tomb, Friendship Tower, and Liberation Tower.

The delegation first laid a wreath at Mt. Taesong Revolutionary Martyrs' Tomb. The guests laid a wreath at the Revolutionary Martyrs' Tomb and prayed in memory of the anti-Japanese revolutionary martyrs who sacrificed their lives for the liberation of the fatherland and for the people's freedom and happiness.

The delegation next laid a wreath at Friendship Tower. Staff members of the PRC Embassy to our country were on hand. The guests laid a wreath at Friendship Tower and prayed in memory of the martyrs of the Chinese People's Volunteers who sacrificed their lives during the Korean war opposing the U.S. imperialist aggressors.

The delegation also separately laid wreaths at Liberation Tower and the cemetery for soldiers of the Soviet Army, situated in the Sadong district. The delegation laid wreaths and prayed in memory of the soldiers of the Soviet Army who sacrificed their lives during the Korean liberation war.

Today, the delegation visited the Revolutionary Martyrs' Tomb, Friendship Tower, Liberation Tower, and the cemetery for soldiers of the Soviet Army.

Yun Ki-pok Receives Delegation From KYODO

SK0506002391 Pyongyang KCNA in English 1649 GMT 4 Jun 91

[Text] Pyongyang June 4 (KCNA)—Yun Ki-pok, secretary of the Central Committee of the Workers' Party of Korea, today met and had a friendly conversation with the delegation of the KYODO news service of Japan led by its President Shinji Sakai at the Mansudae Assembly Hall.

Pak Song-chol Meets Syrian Paper's Director

SK0406153791 Pyongyang KCNA in English 1520 GMT 4 Jun 91

[Text] Pyongyang June 4 (KCNA)—Vice-president Pak Song-chol met and had a friendly conversation at the Mansudae Assembly Hall Monday with Muhammad Khayr al-Wadi, editor and general director of the Syrian paper TISHRIN.

On the occasion the editor said that the friendship and solidarity between the peoples of Syria and Korea forged by the great President Kim Il-song and His Excellency Hafiz al-Asad are further strengthening and developing as the days go by.

The government and people of Syria, he noted, extend full support to the Korean people in their struggle for national reunification.

He said that during his visit he was deeply moved to see the Korean people sincerely revering and following respected President Kim Il-song.

Present on the occasion were deputy editor of MINJU CHOSON An Pok-man and Syrian Ambassador to Korea Yassir Farah.

New Tunisian Ambassador Received by Kim Yong-nam

SK0406154691 Pyongyang KCNA in English 1526 GMT 4 Jun 91

[Text] Pyongyang June 4 (KCNA)—Kim Yong-nam, vice-premier and foreign minister, met and conversed at the Mansudae Assembly Hall Monday with Salah Ben Mohamed Jebali, newly-appointed Tunisian ambassador e.p. to Korea, who paid a courtesy call on him.

Received by Kim Il-song

SK0606120991 Pyongyang KCNA in English 1033 GMT 6 Jun 91

[Text] Pyongyang June 6 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea was presented with credentials today by Salah Ben Mohamed Jebali, newly-appointed Tunisian ambassador to Korea.

Present at the presentation ceremony was Vice-premier and Foreign Minister Kim Yong-nam.

After receiving the credentials, President Kim Il-song had a conversation with the ambassador.

The ambassador presented a gift to him.

Signature Campaign for Reunification Reported

SK0306061691 Pyongyang KCNA in English 0550 GMT 3 Jun 91

[Text] Pyongyang June 3 (KCNA)—There goes a widespread international signature campaign for supporting the Korean people in their struggle for the peaceful reunification of the country according to the decision of the International Liaison Committee for the Reunification and Peace in Korea.

24 officials of different sections of Egypt including First Deputy Minister of Agriculture 'Ali Mahmud al-Husari and Secretary of the Egypt-Korea Friendship Association Hasan 'Abd-al-Salam signed the signature paper recently.

Leading officials of the National Committee of Benin for Friendship Among the Peoples, the Benin Youth Union of Environmental Protection, the Benin Association of Young Volunteers for Development, the Benin Youth Art Club, the Benin Action Movement of Doctors and the

Benin Committee for Friendship and Solidarity with the DPRK also signed the signature paper respectively on behalf of their organisations.

Signature campaigns were conducted by the general trade union and the youth organisation of Barbados and the Barbados Committee for Friendship and Solidarity with the Korean People and many Barbados organisations and the Zimbabwe-Korea Solidarity and Friendship Association.

Death of C.C. Member Ho Chong-suk Announced

SK0606072791 Pyongyang KCNA in English 0436 GMT 6 Jun 91

[Text] [Words indistinct] the Central People's Committee and the Administration Council of the DPRK.

Comrade Ho Chong-suk, member of the C.C. [Central Committee], the Workers' Party of Korea, died from a long illness, to the sorrow of our people, at the age of 82 at 15:30 on June 5, 1991, the [word indistinct] says.

Ho Chong-suk was a revolutionery soldier boundlessly devoted to Comrade Kim Il-song, the great leader of our party and people, and a woman activist who devoted her whole life to the reunification and independence of the country and the building of socialism and communism, it notes, and continues:

Born into a patriotic lawyer's family in Seoul, Kyonggi Province, on July 16, 1908, she took an active part in the anti-Japanese struggle from her early age.

Ho Chong-suk was active at important posts of the central party and power bodies from December 1945 after the country's liberation. She worked as minister of culture and propaganda from the time of the founding of the DPRK till November 1957 and then as minister of justice and president of the Supreme Court.

She was the director of the Secretariat of the C.C., the Democratic Front for the Reunification of the Fatherland from July 1972 [word indistinct] 1981 and vice-chairman of the Fifth and Sixth Supreme People's Assembly of the DPRK.

She was elected member of the party Central Committee from August 1946 and worked as secretary of the party Central Committee from 1981 to 1989.

The WPK Central Committee, the Central People's Committee and the Administration Council of the DPRK decided to hold a state funeral for Comrade Ho Chong-suk and formed a state funeral committee.

The committee with Comrade Li Chong-ok as chairman consists of 32 members including Comrades Pak Song-chol and Yon Hyong-muk.

Kim Il-song Sends Wreath to Bier

SK0606121291 Pyongyang KCNA in English 1032 GMT 6 Jun 91

[Text] Pyongyang June 6 (KCNA)—The great leader President Kim Il-song today sent a wreath to the bier of Comrade Ho Chong-suk, member of the Central Committee of the Workers' Party of Korea, deeply mourning her death.

State Funeral Committee Formed

SK0706083391 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 6 Jun 91

[Text] The Central Committee of the Workers Party of Korea, the DPRK Central People's Committee, and the DPRK Administration Council have decided that the funeral for Comrade Ho Chong-suk will be a state funeral and that a state funeral committee for the late Comrade Ho Chong-suk will be formed as follows.

Chairman: Comrade Yi Chong-ok.

Members: Comrade Pak Song-chol, Comrade Yon Hyong-muk, Comrade Kim Yong-nam, Comrade Kye Ung-tae, Comrade Chon Pyong-ho, Comrade Han Song-yong, Comrade Hyon Mu-kwang, Comrade Choe Tae-pok, Choe Yong-nim, Comrade Kim Pok-sin, Comrade Kang Hui-won, Comrade Kim Chung-nin, Comrade Pak Nam-ki, Comrade So Kwan-hui, Comrade Yun Ki- pok, Comrade Hwang Chang-yop, Comrade Kim Yong-sun, Comrade Chang Chol, Comrade Yang Hyong-sop, Comrade Yi Kye-paek, Comrade Chong Sin-hyok, Comrade Kim Pong-chu, Comrade Kang Sok-sung, Comrade Han Sang-kyu, Comrade Pang Hak-se, Comrade Won Tong-ku, Comrade Choe Yong-hae, Comrade Pak Su-tong, Comrade Yom Tae-chun, Comrade Yo Yon- ku, and Comrade Chong Tu-hwan.

Senior Officials Visit Bier

SK0606154191 Pyongyang KCNA in English 1516 GMT 6 Jun 91

[Text] Pyongyang June 6 (KCNA)—Senior officials of the party and government today visited the bier of Ho Chong-suk, member of the Central Committee of the Workers' Party of Korea [WPK], and deeply mourned her death.

Wreaths from the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il were standing by the bier.

Standing there were also wreaths from the the WPK Central Committee, the Central People's Committee and the Administration Council of the Democratic People's Republic of Korea.

Among the mourners were O Chin-u, member of the Presidium of the Political Bureau of the WPK Central Committee and minister of People's Armed Forces; Yi Chong-ok and Pak Song-chol, members of the Political Bureau of the WPK Central Committee and vice-presidents; Yon Hyong-muk, member of the Political Bureau of the WPK Central Committee and premier of the Administration Council; members and alternate members of the Political Bureau and secretaries of the WPK Central Committee and other senior officials.

While the band played the dirge, the senior officials of the party and the government observed a moment's silence in memory of the deceased who remained boundlessly faithful to the party and the leader to the last moments of her life and devoted her all to the party and the revolution.

Then they expressed deep condolences to the bereft family.

Meanwhile, officials of the Central Committee of the WPK, the Central People's Committee of the DPRK, the Administration Council, commissions and ministries of the Administration Council, central organs and public organisations, men of culture and art and the press, and fuctionaries of party and power bodies and administrative and economic organs in Pyongyang also visited the bier of the deceased to deeply mourn her death.

Officials of the Central Committees of the Korean Social Democratic Party and the Chondoist Chongu Party also visited the bier of the deceased and deeply mourned her death.

Kim Il-song Meets Olympic Delegation 5 Jun

SK0506111691 Pyongyang KCNA in English 1101 GMT 5 Jun 91

[Text] Pyongyang June 5 (KCNA)—The great leader President Kim Il-song today received Mario Vazquez Rana, president and director general of Organizacion Editorial Mexicana S.A. and president of the association of the National Olympic Committees, and his companions.

Present on the occasion were Kim Yong-nam, vice-premier and foreign minister, and Pak Myong-chol, vice-chairman of the Olympic Committee of the DPRK and first vice-chairman of the State Commission of Physical Culture and Sports.

President Kim Il-song had a conversation with the guests in a cordial and friendly atmosphere.

He was presented with a gift by the guests.

He gave a luncheon for them.

Kim Il-song Publication Anniversary Commemorated

SK0706045591 Pyongyang KCNA in English 0438 GMT 7 Jun 91

[Text] Pyongyang June 7 (KCNA)—A meeting was held here Thursday to mark the 30th anniversary of the publication of the great leader President Kim Il-song's classical work "Public Health Workers Should Be Red Champions of the Party" (June 7, 1961).

Choe Tae-pok, secretary of the C.C. [Central Committee], the Workers' Party of Korea, made a report at the meeting.

In the work, the reporter said, the great leader analysed and summed up the great turn effected in health service through an active ideological remoulding campaign among health workers, and clearly indicated the basic orientation and ways for further developing it, setting out the unique ideology and theory on firmly preparing the public health workers to be communist revolutionaries of chuche type.

The great leader said in his work that in a socialist and communist society man is regarded as the most precious being and everything serves for the promotion of the people's wellbeing. And he clarified in a scientific way the lawful course of solving the public health problem expounding that the age-old desire of the people to enjoy a long life in good health, free from oppression and poverty, will be fully realized in the communist society.

He gave a comprehensive exposition of the importance of the duty and role assumed by the health workers in the building of socialism and communism and the ideological and moral traits to be possessed by them.

The great leader was the first in the human history of the development of healh care to expound scientifically that the health workers should be steadfast communists before anyone else and the ideological and moral traits the health workers should possess as communist revolutionaries of chuche type are communistic love of man and devotion based on party spirit, working-class spirit and serve-the-people spirit.

His classical work is, indeed, a highly important guideline which has brought a great revolutionary upsurge in the health service by firmly preparing the health workers to be communist revolutionaries of chuche type and energetically conducting the devoted service movement, the reporter stressed.

The dear leader Comrade Kim Chong-il has given a wise guidance in bringing a great turn in the ideological and moral traits of the health workers to suit the demands of the developing reality, he said.

He stated that the validity and great vitality of the idea, theory and policy set out in the work have been clearly proved by the practice of the health service of our country that has made a fast progress.

Anniversary of Kim Chong-il's Mt. Paektu Routes

SK0606070691 Pyongyang KCNA in English 0450 GMT 6 Jun 91

[Text] Pyongyang June 6 (KCNA)—It is 35 years since the dear leader Comrade Kim Chong-il opened excursion routes to the revolutionary battle sites in Mt. Paektu.

Comrade Kim Chong-il who, with wisdom of second sight and rare penetration, saw through the criminal moves to erase the revolutionary traditions of our party and their real nature, made up his mind to explore the area of Mt. Paektu in June 1956 and personally took the lead in opening the course of the excursion.

His excursion to the revolutionary battle sites in the areas of Pochonbo and Samjiyon was a grand march for defending the revolutionary exploits of our [words indistinct] through the excursion Comrade Kim Chong-il set a brilliant example of the noble communist moral traits for the new generation of the revolution, the successors to the revolutionary cause of chuche, to follow forever.

A commemoration meeting, was held in Hyesan city, Yanggang Province, Wednesday.

Addressing the meeting Yom Ki-sun, chief secretary of the provincial party committee and chairman of the people's committee of the province, said the opening of the course of excursion to the revolutionary battle sites in Mt. Paektu was a historic event of weighty significance in the Korean people's struggle to accomplish the revolutionary cause of chuche.

When he opened the excursion course Comrade Kim Chong-il worked out a grand plan to turn Yanggang Province associated with the revolutionary history of the great leader President Kim Il-song into a grand open-air museum for education in the revolutionary traditions and energetically led in the van the work for its realization.

Senior Officials Attend Wreath-Laying Ceremony

SK0606061391 Pyongyang KCNA in English
0424 GMT 6 Jun 91

[Text] Pyongyang June 6 (KCNA)—Party and government senior officials, working people and officers and men of the Korean People's Army [KPA] laid wreaths at the grave of Kim Hyong-chik and Kang Pan-sok and before the bronze statue of Kim Hyong-chik in Ponghwa-ri, Kangdong County of Pyongyang Wednesday on the occasion of the 65th anniversary of the death of Kim Hyong-chik, an indomitable revolutionary fighter and an outstanding leader of the anti-Japanese national-liberation movement in our country.

Placed at the grave were wreaths sent by the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il.

Honor guardsmen of the KPA stood in front of the grave and the statue.

Present at the wreath-laying ceremonies were Yi Chong-ok, Pak Song-chol, Choe Kwang, Kye Ung-tae, Chon-Pyong-ho and other cadres, working people and armymen.

Amid the playing of the wreath-laying music, wreaths were laid at the grave and before the statue in the name of the Central Committee of the Workers' Party of Korea, the Central People's Committee of the DPRK, the Administration Council, the ministries of the Administration Council, central organs, science, education, culture and art and public health organs, units of the KPA and party and power bodies, administrative and economic organs, factories and cooperative farms in Pyongyang.

The participants observed a moment's silence in memory of Kim Hyong-chik, looking back on his brilliant revolutionary activities and immortal feats recorded in the history of the anti-Japanese national-liberation struggle of the Korean people for the independence of the country and the sovereignty of the nation.

Meeting on Anniversary of Kim Il-song's Guidance

SK0706065591 Pyongyang Korean Central Broadcasting Network in Korean 0400 GMT 2 Jun 91

[Text] A report meeting marking the 30th anniversary of the great leader Comrade Kim Il-song's on-the-spot guidance to the fisheries cooperative general store of the Commercial Management Office of Chonchon County was held yesterday at the same location. The report meeting was attended by functionaries concerned, including Yi Pong-kil, responsible secretary of the Chagang provincial party committee and chairman of the Chagang Provincial People's Committee, and employees of the commercial management office.

In the meeting, following Yi Pong-kil's report, Chong Chung-sil, director of the Commercial Management Office of Chonchon County; Kim Mun-ok, director of the [word indistinct] store under the Hungmo general store; and Choe Chang-song, secretary of the party cell of the fisheries cooperative general store, participated in discussions.

The speaker and those who participated in the dicussions said: At a time when all party members and the working people throughout the country are effecting great revolutionary upsurges in all fields of the revolution and construction, firmly uniting around the party and the leader, we significantly commemorate the 30th anniversary of the great leader Comrade Kim Il-song's on-the-spot guidance to the fisheries cooperative general store of the Commercial Management Office of Chonchon County on 24 May 1961.

The speaker and those who participated in the discussions noted that 30 years ago the respected and beloved leader visited the fisheries cooperative general store to inspect facilities in the store and, after acquainting himself with the work and living conditions of commercial functionaries there, elucidated the direction and ways that socialist commerce should follow. They also noted that the dear leader Comrade Kim Chong-il, who is brilliantly consummating the revolutionary cause of chuche, visited Chonchon County in the past and wisely led it to correctly wage commercial service activity in conformity with the inherent demands of the socialist society.

The speaker and those who participated in the discussions said: Commercial functionaries in Chonchon County have greatly contributed to further promoting the standard of living of the people in the county for the past 30 years by vigorously waging their commercial service activities as the servants of the people. Thus, they have overfulfilled their annual retail goods distribution plan every year.

After stating that amid the wise leadership and benevolent love of the great leader and the party, the Commercial Management Office of Chonchon County has had the honor of receiving the Order of Kim Il-song, the Title of the Red Flag of the Double Three Revolutions, and the Title of Commercial Vanguard, the speaker and those who participated in the discussions extended the highest honor and deepest thanks to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, who have led our people along the single road of victory, glory, happiness, and prosperity.

The dear leader Comrade Kim Chong-il has indicated: We should smoothly and conveniently supply commodities to the people by improving and strengthening commodity distribution work in the service field.

The speaker and those who participated in the discussions said that commercial functionaries in the county face the task of providing the people with better living conditions by more thoroughly implementing the great leader's on-the-spot teachings and the party's policy on commerce. They stressed that to this end, commercial functionaries should more firmly prepare themselves to become genuine commercial functionaries who are infinitely loyal to the party and the leader and who devotedly serve the people.

A letter of pledge was adopted at the report meeting.

So Yun-sok Attends Agricultural Workers Meeting

SK0606140491 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 30 May 91

[Excerpts] A meeting of agricultural workers was held in front of a monument stone commemorating Pyongnam reservoir on the morning of 30 May to mark the 35th anniversary of the great leader Comrade Kim Il-song's naming the reservoir Yonpungho. [passage omitted]

The meeting was attended by Comrade So Yun-sok, member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK], responsible secretary of the South Pyongan Provincial Party Committee, and chairman of the South Pyongan Provincial People's Committee; Comrade Kim Chung-nin and Comrade So Kwan-hui, secretaries of the WPK Central Committee; Kim Won-chin, chairman of the Agricultural Committee; Pak Su-tong, chairman of the Central Committee of the Union of Agricultural Working People of Korea; Kim Nak-hui, chairman of South Pyongan Rural Economy Committee; and other functionaries concerned with the agricultural workers of Anju City. [passage omitted]

National Children's Union Meeting Closes 5 Jun

SK0606073091 Pyongyang KCNA in English 0431 GMT 6 Jun 91

[Text] Pyongyang June 6 (KCNA)—The national meeting of the Children's Union closed Wednesday.

Speeches continued, following the first-day session.

The speakers said that the current meeting was a meeting of glory embroidered with the party's wise leadership and deep love of children's union members, the flower buds of chuche Korea and the reliable successors to the [word indistinct] loyalty full of the determination to go along the road of revolution following the party to the last.

Looking back upon the praiseworthy struggle and course of victory covered by the Children's Union of Korea, a communist mass organization of children in our country, under the wise leadership of the party and the leader, they said the Union members have prepared themselves firmly to be young revolutionaries and builders by studying hard, actively participating in the organizational life and briskly conducting socio-political activities over the past years.

The Children's Union members are now facing the honorable tasks to reunify the country and build a paradise of socialism and communism on this land by continuing revolution generation after generation under the unfurled banner of the chuche [words indistinct] they said [Words indistinct] revolution the life [word indistinct] soul of [word indistinct] Korea. Children's Union members, expressed their [passage indistinct]

Officials Celebrate Children's Union Anniversary

SK0606152591 Pyongyang KCNA in English 1458 GMT 6 Jun 91

[Text] Pyongyang June 6 (KCNA)—A joint national meeting was held today at the Kim Il-song Stadium to celebrate 45th founding anniversary of the Korean Children's Union (June 6, 1946).

Attending the meeting together with school children were Yon Hyong-muk, member of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and premier of the Administration Council; Pak Song-chol, member of the Political Bureau of the WPK Central Committee and vice-president; Choe Kwang, member of the Political Bureau of the WPK Central Committee and chief of General Staff of the Korean People's Army; Choe Tae-pok, alternate member of the Political Bureau and secretary of the WPK Central Committee; Kim Pok-sin and Kang Hui-won, alternate members of the Political Bureau of the WPK Central Committee and vice- premiers of the Administration Council; and members of the delegation of Korean children in Japan and officials of the League of Socialist Working Youth and the Children's Union.

Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea, delivered a report at the meeting.

The reporter said the Korean Children's Union is a political organisation training reliable reserves for the revolutionary cause of chuche formed by the respected leader Marshal Kim Il-song and led by the dear leader Kim Chong-il.

The respected marshal, regarding the education of the rising generation as an important question concerning the future of the country and the destiny of the revolution from the very day he embarked upon the road of revolution, formed the Saenal Juvenile Union and the anti-Japanese children's corps to train children to be reliable revolutionaries representing the new generation, the reporter noted, and continued:

The Children's Union members under the wise guidance of the party and the leader are preparing themselves to be dependable reserves to accomplish the revolutionary cause of chuche.

They should have the Korean nation-first spirit that our leader and our party are the greatest, the ideology and the traditions of our party are the best and the socialist system in our country is the most excellent, and firmly prepare themselves to be young revolutionaries who warmly love the socialist motherland and resolutely fight against all sorts of class enemies, the reporter stressed.

The report was followed by a congratulatory speech of Yi Chang-o, head of the delegation of Korean children in Japan.

A grand ceremony for admission of children to the Korean Children's Union was held at the meeting.

Rice-Transplanting Ends According to Schedule

SK0206101991 Pyongyang KCNA in English
0806 GMT 2 Jun 91

[Text] Pyongyang June 2 (KCNA)—Rice-transplanting was finished in Korea as of May 31, except the fields of cold-beds for rice seedlings and part of northern highland.

The finish of rice-transplanting in right season made another guarantee for a bumper crop this year.

Co-op farms across the country tended the cold-beds for rice seedlings in a scientific and technical way defying the continued unfavourable climatic conditions and brought up sturdy rice seedlings.

They increased the operation rate of tractors, harrowed rice-yields qualitatively and put rice-plucking ahead of other work.

They made successes in rice-transplanting from the first day.

North and South Hwanghae Provinces and South Hamgyong Province kept rice-plucking and rice-transplanting machines in full-capacity operation, finishing rice-transplanting earlier than last year.

The agricultural working people across the country who finished rice-transplanting in right season are now weeding and manuring paddy fields.

* Economic Improvement in South Hamgyong Province

912C0185A Pyongyang MINJU CHOSON in Korean
5 Mar 91 p 1

[Text] The Central People's Committee of the Democratic People's Republic of Korea has adopted a decision concerning improving and strengthening the economic work of South Hamgyong Province.

South Hamgyong Province is one of our country's industrial centers where large factories and enterprises with major significance for the people's economy—including chemical factories, machinery factories, mines, collieries, and refineries—are concentrated.

The great leader recently investigated the economic work status of South Hamgyong Province and clarified methods and means for further developing the province's economic work across the board.

In this decision are presented tasks for regularizing vinalon and chemical fertilizer production at a high level, rapidly expanding electricity and coal, lead, and zinc production, carrying out construction of chemical factories and electric power plants on a large scale, and giving prominence to agriculture and fisheries.

The great leader Comrade Kim Il-song taught as follows:

"This year the major task facing us in socialist economic construction is to give firm priority to the initial sectors of the people's economy and effectively use the economic foundation that has already been prepared, regularize production at a high level, and further raise the people's material cultural life to meet the demands of socialism."

The decision speaks of putting great emphasis on the chemical industry development.

In this connection the decision specifically deals with having the whole country buckle down and help the 8 February Vinalon Complex and the Hungnam Fertilizer Complex; normalizing the production of vinalon, vinyl chloride and chemical fertilizers; making the chemical factory facilities larger scale and modernized; and building new chemical factories. And the decision explains policy matters for achieving these objectives.

The decision next deals with decisively expanding electricity and coal production. In this connection, the decision deals with further expanding the electricity generation capacity of the presently existing power plants and accelerating the construction of large scale power plants, beginning with the Kumya River Power Plant, and small and medium scale power plants, and concentrating on coal production and stepping up production each year, and measures for achieving these objectives.

Next, the decision discusses normalizing production in the mining sector. In this connection, the decision explains production goals and measures to accomplish them for the Komdok Mining Complex, the Taehung Youth Integrated Mining Complex, the Yongyang Mine, and the Tanchon Magnesia Factory.

The decision then deals with raising innovations in the Yongsong Machinery General Bureau and carrying out without fail the production quotas for plants, beginning with plants for machine tools, air compressors, and plant facilities. In this connection it calls for putting the emphasis on the Yongsong Machinery General Bureau and guaranteeing on a priority basis materials in all sectors of the people's economy and enhancing the production capacity of this enterprise to the maximum.

Next the decision calls for expanding the production of grains and vegetables by thoroughly implementing the requirements of the chuche agricultural method and planting plenty of amaranth and squash and expanding meat production.

In particular, the decision calls for decisively giving prominence to fruit production and expanding silkworm cocoon production in this, the 30th anniversary of the historic Pukchong Expanded Conference of the Standing Committee of the party Central Committee.

Next the decision calls for expanding production of consumer goods and fisheries products and improving the living conditions of the people. In this connection, the decision explains expanding the production of cloth, blankets, fabrics, and plastic screen at the Hamhung Wool Textile Mill; increasing the production of various kinds of high-quality daily necessities and foodstuffs by running local industry factories at full operation; and expanding the area of seaside cultivation; and constructing apartments for 16,900 families.

Improving and strengthening the economic work of South Hamgyong Province has major significance for accelerating the country's socialist construction and raising the people's living standards.

Let the functionaries and workers of the state, of economic organs, and of applicable regions and applicable units cherish the unstoppable belief that "Once the party decides, we will carry it out," and go on brilliantly embodying the design of the party and the leader and plan and set up economic organization work and bring about a new upsurge in production and construction.

KCNA Review of 7 Jun Pyongyang Press

SK0706054291 Pyongyang KCNA in English 0500 GMT 7 Jun 91

[Press review]

[Text] Pyongyang June 7 (KCNA)—Papers here today report that Salah Ben Mohamed Jebali, newly-appointed Tunisian Ambassador e.p. to Korea, presented his credentials to the great leader President Kim Il-song.

President Kim Il-song sent a wreath to the bier of the late Comrade Ho Chong-suk, says the press.

Appearing in papers is news that answers of President Kim Il-song to the questions raised by the president of the KYODO News Service of Japan were reported by foreign media.

Given in papers is an account of a meeting held to mark the 30th anniversary of the publication of "Public Health Workers Should Be Red Champions of the Party", a classical work of President Kim Il-sung (June 7, 1961).

On this occasion MINJU CHOSON comes out with an article headlined "It Is a Duty of Public Health Workers To Be Responsible for the Health of the People."

A seminar on "The Workers' Party of Korea Organizes and Guides All the Victories of Our People," a work of the dear leader Comrade Kim Chong-il, was held in Peru, according to NODONG SINMUN.

The daily carries a political essay under the title "Revolutionary Comrade". The political essay says there is our incomparable great honor and happiness in pushing the way through the storms of the times, the leader trusting the people as comrades, the people trusting and revering the leader as the great comrade, and the party and the people united in one mind.

It is reported in papers that party and government cadres, the C.C. [Central Committee], the Workers' Party of Korea, the Central People's Committee and the Administration Council of the DPRK and its commissions and ministries, central organs, political parties and public organisations visited the bier of the late Comrade Ho Chong-suk and deeply mourned her death.

Econews of the press includes reports about the fast-progressing development of new coal mines and pits and about weeding in paddy and nonpaddy fields accelerated on cooperative farms.

Highlighted in the press is an account of a joint national meeting of the Korean Children's Union organizations held in Pyongyang to mark the 45th anniversary of the founding of the Union.

Appearing in the press are reports that the local industry workers are effecting innovations in the production of mass consumption goods on the occasion of day of local industry (June 7).

NODONG SINMUN reports that foreigners said the Korean children are the happiest in the world and Danish, Norwegian and Vietnamese papers published articles praising the DPRK.

South Korean news columns of the press include reports that professors and teachers of universities and colleges in South Korea are turning out in the struggle to denounce the brutal murder committed by the No Tae-u ruling group and oust the present "regime", and Chondaehyop [National Council of University Student Representatives] at a news conference contended that the punishment of the "acting prime minister" was an expression of righteous wrath.

Meetings were held in different parts of the northern half of Korea to denounce brutal murder by the U.S. imperialists and the South Korean ruling group and the South Korean martyrs who committed self-immolation by setting themselves ablaze in protest against the present "regime" were registered at universities in the North as their honorary students, according to NODONG SINMUN.

The paper comes out with a commentary denouncing the fascist brutality of the South Korean authorities in demanding 10 years in prison for Chon Mun-hwan, former chairman of the Pyongyang festival preparatory committee of Chondaehyop, on the charge of violation of the "National Security Law".

It informs the readers that the fascist clique took Rev. Mun Ik-hwan back to prison.

Given in the press is news of the unending reckless war exercises of the U.S. imperialists and the South Korean puppets.

The press gives an account of inaugural ceremonies of the "international solidarity march for supporting Korea's reunification" held in India and Benin.

NODONG SINMUN reports that the Chinese PEOPLE'S DAILY flailed the dangerous assertion of the forces calling for the "independence of Taiwan", the Secretariat of the Central Committee of the Communist Party of the Soviet Union rejected the attempt to change the name of Leningrad, the Soviet papers reported about economic bankruptcy of the country, and a general declaration of the Latin American association of social sciences was adopted at its 18th meeting.

The second meeting of the Supreme National Council of Kampuchea was held, according to the press.

NODONG SINMUN and MINJU CHOSON carry articles under the respective titles "Angola Enters the Road of Peace" and "U.S. Imperialism Is the Very One Menacing Peace and Seeking War."

Correction to 'Text' of Kim Il-song Interview

SK0506062891

The following correction pertains to the item headlined "'Text' of Kim Il-song Interview With KYODO," published in the 4 June East Asia DAILY REPORT, pp 14-16:

Page 14, column two, paragraph five, sentence four, make read: ...housing construction for 1,200,000 to 1,500,000 families... (correcting figure)

Page 15, column two, last paragragh, sentences one and two, continuing onto page 16, make read: ...cannot be concealed by any means. Last year at the proposal of the International Liaison Committee for the... (providing indistinct words)

Page 16, column two, paragraph four, sentence three, make read: ...the improvement of relations between Korea and the United States.

It is untenable that the United States has raised the matter of nuclear inspection of somebody else while they themselves have deployed a large number of nuclear weapons in South Korea and are frequently conducting nuclear war exercises that threaten our republic. This shows that the United States has not yet discarded the outdated habit of imposing her will upon others by means of power politics.

Trying today to impose her will upon others by means of power politics is an anachronistic way of thinking. As I said in my speech at the 85th Inter-parliamentary Conference, there can be no high or low countries although there are large and small countries; nor can there be nations which are destined to rule or to be ruled, though there are developed and less developed nations.

We do not have nuclear arms, nor do we produce them. So we do not object nuclear inspection. [sentence as received] More than 1,000 nuclear weapons have now been deployed in South Korea. Nuclear inspection, if ever it is to be made, must be made simultaneously of South Korea where nuclear weapons exist, instead of being made only of us who have no nuclear arms.

The consistent stand of our party and the government of our republic is to make the Korean peninsula a nuclear-free, peace zone. A long time ago we agreed with the Social Democratic Party of Japan on making Northeast Asia, including the Korean peninsula, a nuclear-free, peace zone and published a joint declaration of it.

The world's press is now making much ado about the matter of the nuclear inspection of us, but it is silent about the nuclear arms in South Korea. This is unfair. I think it advisable that the press including you should create a fair public opinion on this matter.

In the United States itself, voices demanding the withdrawal of nuclear arms from South Korea are being raised higher.

Mr. Shin Kanemaru said that he would visit the United States and play the role of a bridge in improving the relations between Korea and the U.S. This is a very good thing. I think he has conceived the idea with a sympathetic feeling towards us from his understanding that the question of Korea-Japan relations can be settled smoothly only when that of the relations between Korea and the United States is settled on a preferential basis. He is a good statesman.

The Asian people have a common task of safeguarding peace and security in Asia. They must struggle in solid unity and close cooperation to get the foreign aggressive military bases and aggressive troops out of this area, check and foil the imperialist moves of aggression and war, and thus safeguard peace and security in Asia.

The government of our republic will, in future too, work hard to develop friendly and cooperative relations with all other Asian countries and make every effort to preserve peace and security in Asia.

Hoping on this occasion that the KYODO News Service will do many good things helpful to developing friendship between our two peoples, I wish you success in your future work... (providing indistinct words and passages)

South Korea

'Pressure' Needed on North Over Nuclear Accord

SK0706020091 Seoul THE KOREA TIMES in English 7 Jun 91 p 6

[Editorial: "NK's [North Korea's] Nuclear Facilities"]

[Text] Following North Korea's abrupt announcement of its decision to enter the United Nations, the next vital question that pops up is whether the North will allow the international inspection of its nuclear facilities. Linking the reported Pyongyang policy change to future developments, Guido De Marco, president of the U.N. General Assembly, opined during his recent visit here that if Pyongyang joined the world forum, it would become more responsive to the issue of international surveillance of its nuclear facilities.

In fact, many nations including the United States, the Soviet Union and Japan have expressed concern that North Korea might be developing nuclear weapons, since the North has refused to sign a mandatory nuclear safeguards accord with the International Atomic Energy Agency [IAEA] for inspection of its nuclear facilities, even though this is required under the Nuclear Non-Proliferation Treaty to which it is a signatory.

Reports from Tokyo disclosed that North Korea is running a 30-megawatt atomic reactor and has obtained enough spent nuclear fuel containing plutonium to produce a nuclear bomb. The North reportedly is also building a 200-megawatt reactor and a reprocessing plant at the same site in Yongbyon, some 50 miles north of Pyongyang. It is feared that if the North's nuclear development proceeds at the present pace, it will be capable of producing nuclear warheads for missiles in several years.

Expressing grave concern over this dismal development, the United States is reported to have demanded that North Korea not only accept international inspection of its nuclear facilities but also halt construction of a reprocessing plant and destroy the recycling facilities.

The North Korea regime has categorically denied its development of nuclear weapons, accusing the U.S. of fabricating stories to whip up anti-Pyongyang hysteria. North Korean leader Kim Il-song asserted in a recent press interview that his country has no nuclear weapons and is not producing them. At the same time, he significantly stated that he would open up nuclear facilities to international inspection after reaching an agreement with the United States.

Kim's remarks are seen revealing an intention to use the inspection issue as a bait for improving relations with the United States, which he said will help resolve the difficult problems standing in the way of normalization talks between Pyongyang and Tokyo. This North Korean attitude indicates the bizarreness of its attempt to step out of its self-imposed isolation for its political and economic survival.

In a positive maneuver, Pyongyang has proposed to Hans Blix, IAEA secretary-general, that it is ready to reopen negotiations that could lead to a safeguards agreement. No doubt, the Pyongyang overture is a forward-looking step, yet its implications are uncertain.

Our hope is that the isolated country has taken a really constructive though reluctant initiative to become a viable member of the international community with its admission into the United Nations and the acceptance of the international inspection of its nuclear facilities.

Nonetheless, there is still lingering skepticism as to whether Pyongyang really intends to allow the nuclear inspection and whether it is not craftily attempting to buy time in order to head off criticism when the IAEA's board of directors meets next week.

North Korea has so far born the brunt of growing international criticism for its refusal of comprehensive inspections with an unreasonable demand for the U.S. evacuation of its alleged nuclear arsenal from South Korea. In the meantime, the Soviet Union, its traditional ally, has prodded the North to comply with the inspection and Japan has made it a requirement for normalization of Tokyo-Pyongyang relations.

In this delicate situation, more international pressure on the Pyongyang regime is necessary to bring the North to the party. Hopefully, the forthcoming IAEA board meeting will provide momentum, as Japan and leading members will reportedly sponsor a resolution calling for Pyongyang's compliance with the international nuclear inspections.

Airlines Want U.S. To Revise Aviation Accord

SK0606030591 Seoul THE KOREA TIMES in English 6 Jun 91 p 3

[First article in a two part series by staff reporter Han Tong-su on U.S.-ROK aviation talks slated for 10-13 Jun in Washington D.C.]

[Text] The United States has been ruthless in pushing its demands in trade, intellectual property rights and other negotiations with Korea and in most cases, it has got what it wants.

U.S. officials have chided their Korean counterparts for their country's protectionist and other "unfair" policies and systems which they claim are hindering the free advancement of American goods and services into the Korean market. Thus, "fairness" has been the name of the game.

But the American attitude changes when its comes to aviation affairs.

Under the current Korea-U.S. aviation agreement, U.S. airlines are free to make flight services to any Korean cities and fly beyond to any points around the world.

In sharp contrast, Korea is only allowed to serve New York, Los Angeles and Honolulu and is denied flight services to other countries from the United States.

In previous aviation talks, Korea has repeatedly tried to revise the Korean-U.S. aviation accord but in vain due to opposition from the U.S. side.

Now that another round of Korea-U.S. aviation talks is slated for June 10-13 in Washington, D.C., the Korean side is again eager to amend the air pact, so that Korean flag carriers will be able to serve more U.S. cities and fly on to other continents.

Korea has sought flight services to Chicago, Atlanta, Dallas and San Francisco in addition to L.A., New York and Honolulu, and flights to Brazil and Mexico from points in the United States.

The addition of destinations in the United States is the primary concern of Korean aviation officials in the upcoming aviation talks as Asiana Airlines, the second Korean flag carrier, will inaugurate a flight service to the United States in November.

Asiana will initially serve the Los Angeles route on which Korean Air (KAL) and other U.S. airlines already operate a large number of flights.

KAL and Asiana officials said that if access to Chicago and other U.S. destinations continues to be denied, the two Korean airlines will have a hard time, engaging in cut-throat competition with each other as well as with U.S. airlines.

They urged the United States to agree to revise the current Korea-U.S. aviation agreement which they claim is "most unfair" as compared with the accords the United States has with other countries.

When compared with Japan, Singapore and other Southeast Asian countries, they claimed, Korea is severely discriminated against in terms of the number of destinations in the United States and the right to fly beyond the country (the fifth freedom traffic right).

The United States has allowed Japanese airlines to operate to 10 U.S. cities and fly on to anywhere in the world from two U.S. points.

Taiwan is allowed to serve seven points and fly on to two points beyond the United States, while the Philippine airlines can fly to 11 U.S. cities and go beyond to every place in the world.

According to the airline officials, Singapore had enjoyed landing rights to six U.S. destinations, but added two in a recent revised agreement with the United States.

In the new accord signed last December, the United States allowed Singapore Airlines (SIA) to fly across the Atlantic to four points in the United States, including New York. The Pact enables SIA to offer for the first time an around-the-world service.

SIA was also allowed to operate beyond the United States to Canada with as many services as it wishes, and to Mexico City and Chile. The new services were allowed in return for Singapore's allowing American air cargo carriers to use the city as a base.

Thailand has enjoyed landing rights to six U.S. cities and beyond flight rights to any points in the world.

Despite the favorable treatment, Thailand threatened to cut back U.S. airlines' flights to Thailand from 38 to 28 per week last December, saying it wants a more equal airline agreement. The announcement followed the collapse of negotiations over a new air agreement between the two countries and the official expiration of the existing "open skies" agreement Nov. 3.

The Thai Government gave U.S. airlines until March 31 to reduce their flights from Bangkok, but later extended the existing landing rights for another seven months. Thai and U.S. aviation officials will meet this month to resolve their differences.

Korean aviation experts and airline officials urged the government to learn from the Thai experience.

Korean and the United States concluded their first aviation agreement on April 24, 1957, when Korea had no international airline.

The agreement allowed Korean airlines to fly to Alaska and Seattle and U.S. flag carriers to serve Seoul and fly on to any points in the world.

The accord was revised twice in 1971 and 1979. And Korean airlines were allowed to serve Los Angeles, Honolulu and New York, yet were denied the right to make flights to other nations from the United States.

Official Optimistic About Accord

SK0706023991 Seoul THE KOREA TIMES in English 7 Jun 91 p 3

[Last article in a series of two by staff reporter Han Tong-su on U.S.-ROK aviation talks slated for 10-13 Jun in Washington D.C.]

[Text] To rectify the unfair clauses, the two countries held negotiations in April 1980 and signed a memorandum of understanding (MOU) in which the United States promised Korea business rights to Oakland, Anchorage and Chicago on a gradual basis on condition that Korea build a cargo terminal for U.S. Airlines at Kimpo Airport or allow U.S. carriers to construct the terminals themselves.

In the MOU, the United States also promised to permit Korean airlines to make flight services from a U.S. city to a point in Europe.

But as the second oil crisis set in and the recession hit the air cargo business, the United States began to drag its feet in making good its promise, while delaying construction of the Kimpo cargo terminal on a 4,032 sq.m. lot allocated to U.S. cargo airline Flying Tigers.

When U.S. airlines finally gave up the idea of building cargo terminals in April 1984, the Korean government constructed the terminal on a 5,832 sq.m. lot at the airport and handed it over to U.S. airlines in January 1987 in its eager wish to get more landing and beyond rights.

As agreed in the 1990 MOU, Korea also built an overhand canopy for U.S. airlines, simplified profit remittance procedures, waived taxes for equipment for ground operation and provided warehouses to keep other equipment of the U.S. airlines.

Despite the Korean government's sincere effort to fulfill the MOU promises, the U.S. side continued to reject the Korean demand for more landing rights and the fifth freedom traffic right to fly to Mexico and Brazil.

In the eight rounds of aviation talks since 1980, the U.S. side has refused to allow Korean flag carriers to serve Chicago and other cities, claiming that Korean airlines' revenues on the trans-Pacific routes exceed those of U.S. carriers by the rate of 7 to 3, figures whose method of calculation the Korean side is still wondering about.

Korean aviation officials acknowledged that there were Korean surpluses in the late 1970s and early 1980s when Korean Air [KAL] energetically developed U.S. routes and increased flight services to the American continent.

KAL launched its U.S. service in 1971. Before that, the trans-Pacific route had been monopolized by Northwest Airlines which inaugurated its Korean service in September 1949.

The officials said the figures were reversed in 1989 when KAL transported 791,000 passengers (44.6 percent of the 1,775,000 passengers between Korea and the U.S.) and Northwest and other U.S. airlines carried the remaining 55.4 percent.

At present, KAL operates 51 flights on nine routes, while six U.S. airlines field 150 flights on 64 routes weekly, according to a tally by the Transportation Ministry.

The officials forecast that the imbalance will deepen next year when American Airlines is to launch a Korean service and if the United States continues to refuse to revise the "unfair" aviation agreement.

In the aviation talks in March 1989, the U.S. side rejected the Korean request to serve Chicago and go beyond to Latin America, counterproposing St. Louis, Oakland, Kansas City, Anchorage and Dallas as alternative destinations which the Korean airlines could hardly accept on account of low traffic demand.

U.S. officials at the negotiation table even cited the vacancies of pertinent officials at the Transportation and State departments, which they claimed happened due to a change of U.S. administrations, as the reason why they could not make a decision on the landing and beyond right issue.

In the talks in April last year, the U.S. side again refused to grant Korean airlines landing rights to Chicago and other hubs in the United States. Instead they offered four other U.S. cities which Korea could select on its own, as well as Alaska, Guam and Saipan, points deemed not so profitable.

U.S. negotiators also said they cannot accept the Korean request to fly beyond the United States to Mexico City and Brazil because Pan Am, a U.S. airline which is mainly operating on the Latin American routes, opposes it.

Korean aviation officials have often complained that they could hardly figure out whether their counterparts were delegates of the U.S. government or representatives of private airlines.

In its effort to excuse its air market protectionism, the U.S. side often took up "doing business right issues," arguing that the Korean side is reluctant to eliminate inconveniences it has claimed U.S. airlines suffer while doing business on Korean market.

U.S. officials even demand that U.S. firms be allowed to operate trucking and forward freighter businesses in Korea, even though they know it is impossible under the current Korean law.

They also demanded Korea open the computerized reservations system (CRS) market, increase check-in counters at Kimpo Airport for U.S. airlines, waive customs clearance fees for express freight and allocate more cargo terminal space for U.S. carriers.

Ministry and airport officials complained that the U.S. side demands too much as compared with other countries' aviation authorities.

The Korean side, however, has tried to do their best to meet U.S. demands and is pinning high hopes on the upcoming Korea-US aviation talks.

Korea plans to accept the U.S. demand that the Korean government build a new cargo terminal for U.S. airlines at Kimpo Airport after relocating the U.S. Army Post Office and the Northwest maintenance hangar.

Korean aviation officials said the government met the U.S. demand for check-in counter increase by allocating 11 more counters to U.S. airlines on March 10.

As for the CRS issue, the Korean government is ready to accept the U.S. demand. In preparation for the eventual CRS market opening, KAL has set up a CRS business tie-up with Japan Airlines and developed its own network.

The second airline Asiana is also taking similar steps.

"We are optimistic about prospects for the June 10-13 aviation talks because we did our best to meet the U.S. demands," said an official at the international aviation department of the Transportation Ministry.

Controversy Over Inter-Korean Trade Viewed

SK0706021591 Seoul YONHAP in English 0138 GMT 7 Jun 91

[Text] Seoul, June 7 (YONHAP)—South Korea will try to get the United States to recognize trade between South and North Korea as "internal" during next month's Seoul-Washington summit in an attempt to put an end to international controversy over inter-Korean trade, officials said Friday.

South Korea will also seek [to] put trade between the two halves of Korea on the agenda of the summit, slated for July 1-5 in Washington, officials at the Foreign and the Trade and Industry Ministries said.

Efforts would also be made to have the General Agreement on Tariffs and Trade (GATT) recognize inter-Korean trade as internal, they said.

"With official U.S. and GATT recognition of inter-Korean trade as internal, inter-Korean exchanges can be more active and can be made directly rather than through foreign intermediaries," one of the officials said.

He said there was no question that inter-Korean trade was internal trade, just as was East-West German trade before unification.

South and North Korean trading firms agreed in January to swap 100,000 tons of South Korean rice for North Korean cement and coal starting with a shipment of 5,000 tons of rice, but the deal has made little headway, partly due to the view in some U.S. quarters that the transaction does not constitute internal trade between the two divided halves.

U.S. rice growers reportedly lobbied GATT to file anti-dumping charges against South Korea for selling rice to North Korea at far below the domestic price.

The U.S. Agriculture Department refuses to recognise inter-Korean trade is internal, but the State Department says "no problem" to the first shipment of 5,000 tons, Korean officials said. They said the State Department may shift its attitude when it comes to the entire 100,000 tons.

South and North Korea exchanged materials in October 1988 for the first time since their division at the end of World War II, and by the end of April this year South Korea had imported 90 million U.S. dollars of North Korean materials and exported 17 million dollars worth to the North.

Inter-Korean trade is expanding at a remarkable pace and in the first four months of this year amounted to 57 million dollars, 19.6 times more than in the same period last year.

East and West Germany exchanged materials without tariffs in the form of internal trade after the Berlin agreement of May 1951.

Trade Delegation Leaves for China 7 Jun

SK0706013591 Seoul THE KOREA TIMES in English 7 Jun 91 p 8

[Text] Ku Hong-yol, a member of the standing committee of the Association of Foreign Trading Agents of Korea (AFTAK), will leave today for China for an 11-day trip, leading a 14-member trade delegation.

Ku will attend the Shanghai Tex '91, a multinational exhibition on the textile industry on June 12 at the invitation of the China Council for the Promotion of International Trade (CCPIT).

The mission is scheduled to visit Beijing, Dalian, Shanghai and Guangzhou to promote trade ties, an AFTAK spokesman said.

Closer Pusan, Vladivostok Relations Reported

SK0706032391 Seoul THE KOREA TIMES in English 7 Jun 91 p 2

[By staff reporter Kim Song-pok]

[Text] Rep. Song Tu-ho has quietly but vigorously promoted human and material exchanges between his native city of Pusan and Vladivostok of the Soviet Union for the past two years.

His devotion, launched well ahead of the establishment of full diplomatic ties between Seoul and Moscow in September last year, is taking substantial shape as the two port cities have recently reached a series of agreements on joint ventures, exchanges of students, science researchers and cooperation between banking systems.

On top of this, Pusan and Vladivostok are to set up sisterhood relations in a ceremony slated for August, Song said in an interview with The Korea Times yesterday.

He added, "The mayor of Vladivostok plans to make a visit to Pusan to sign the document to set up the sisterly relationship."

It took Song about two years to put Pusan-Vladivostok ties on concrete footing since he first proposed the friendly relations of two cities during his visit to Moscow in August, 1989, as a member of the parliamentary delegation at the invitation of the Soviet Academy of Science.

"Exchanges in various sectors are necessary to help promote mutual trust between the people of the two port cities. To begin with, efforts will be exerted for increasing cultural understanding through exchanges of a great number of people," said the chairman of the Pusan-Vladivostok Friendship Society.

Thus far, about 600 Soviets have visited Pusan, while hundreds of Koreans have been to Vladivostok, revealed the 62-year-old lawmaker of the ruling Democratic Liberal Party.

A training ship of Korea Maritime University, which is based in Pusan, set sail on May 31 with 10 professors and 200 students aboard and is to pay a port call next Wednesday via Sakhalin and Nakhodka.

On May 19, Pusan received a port call by a clipper christened "Pallada," a duplicate of the namesake battle ship of Czarist Russia, which is the training ship of the Maritime and Science University in Vladivostok with leading figures of Vladivostok and 100 students aboard.

They included Deputy Mayor of Vladivostok Vladimir Pavlovich Prudkiy and Chairman of Chamber of Commerce Aleksandr Semenovich Pisarev and 12 others from business circles.

During their six-day stay in Pusan, they agreed with Pusan entrepreneurs on Soviet's preferential supply of timbers to companies in Pusan, the establishment of a fisheries processing plant in Vladivostok, the cooperation of banking institutes to facilitate mutual trade and a joint venture for textiles in Vladivostok.

"The battleship Pallada of Russia first sailed around the southern tip of the Korean peninsula in 1854. After 137 years, the namesake clipper visited Pusan to promote economic cooperation and friendly ties," the neurosurgeon turned legislator said.

Since a Soviet commercial ship was repaired at a shipyard in Pusan late 1989, a total of 47 Soviet ships were repaired by the end of last month. "Many of the Soviet ships have so far been repaired in Japan but more and more ships are coming to Pusan now," Song revealed.

According to him, the National Fisheries University of Pusan and the Far-Eastern Branch of Soviet Academy of Science, based in Vladivostok, have recently reached a broad accord to exchange researchers, while Korea Maritime University decided to accept five students of Soviet Maritime and Science University at the city administration's expenses.

He also revealed that talks are under way between the Kukje Ferry Co. and Vladivostok's shipping authorities for the playing of tourist ferries. "If the direct sea lane between Pusan and Vladivostok is explored, it would take about one and a half or two days to travel."

About 6,000 people of Korean descent live in the Soviet's far-eastern port city, while some 42,000 are in Sakhalin. "The Soviet Union has a grand plan to develop the far-eastern region and allow those Korean ethnics who were forcibly relocated to Tashkent and central Soviet by Stalin to move back to the area to play a leading role in the development projects," he said.

* North Korean Police Watch Workers in USSR

912C0192A Seoul CHOSON ILBO in Korean 19 Mar 91 p 3

[Article by Kim Sung-yong: "'Barbaric Behavior of North Korean Government Personnel' Exposed by Soviet Press"]

[Text] North Korean secret police personnel are watching North Korean workers in the USSR, and in some instances they are being fatally tortured or sent back to North Korea. A recent article in a Moscow news magazine reveals that there are North Korean political protection guard personnel watching, torturing and infringing on the human rights of North Korean timber workers who go to work in the USSR.

On the 10th of last month, the weekly news magazine TABLOID published an article on the front page revealing how personnel of the North Korean political protection guard are watching 11,000 North Korean timber workers in the far east area of Chegdomyn. In 1960, the USSR and the DPRK began a joint timber project and since that time some of the North Korean timber workers have sought refuge in the Soviet Union.

Every Year 50-60 People Escape

The immigration administrator for that area, Pavel Grishchenko, stated that 50-60 North Korean timber workers escaped from the timber work camps every year during the 1970's. The number of escapes has been reduced, but workers continue to break out. Almost all of the people who manage to escape are caught by North Korean political guards and are returned to the camps.

There have been no exceptions to the rules. The political protection guards have even arrested men who have married Soviet women and who have children from these marriages.

The immigration administrator cited the case of Han Chul-kil as a typical example. Mr. Han came to Chegdomyn as a timber worker in June 1987. Soon after he arrived he decided to escape from the work camp after he got a letter from a friend in North Korea. According to his friend's letter, the department of social safety arrested all of Mr. Han's family, his parents and brothers, in a purge. Mr. Han was fortunate and managed to escape from the work camp guards, and with the assistance of local Korean residents who helped him obtain a counterfeit passport and military certification he was able to travel secretly to Tashukan. He then fled to Ukraine where he married Klavdiya Taol, a Soviet, and he worked at a watermelon farm.

Unfortunately, several months after his escape his name appeared on the watch list of the North Korean political protection guard. In October of that year, Mr. Han was captured by the political protection guard at a train station in Khabarovsk while he and his wife were en route to a camping trip in Nakhodka, in the far eastern area of the Soviet Union. Mr. Han's wife immediately reported his capture to Soviet authorities and asked for their help. A week after the Soviet authorities received information of Mr. Han's capture, the political protection guards were already making arrangements for Mr. Han to be returned to North Korea. Soviet authorities eventually located Mr. Han when he arrived at Khabarovsk airport on a plane from Chegdomyn.

When Mr. Han was found his face had been severely beaten to the point where he was unrecognizable and his hair had been shaved in a pattern that identified him as a capital criminal.

Mr. Han was transferred to the Soviet immigration department and was detained in a Soviet camp until he was allowed to stay in the Soviet Union as an exile.

Monitoring Activities Began in 1966

Mr. Han pleaded with Soviet immigration authorities, begging them not to send him back to North Korea, and expressed his willingness to stay in a Soviet camp for 10 years as an alternative to deportation. Surprisingly, North Korean political protection guard personnel did not contest the Soviet decision to allow Mr. Han to stay. Perhaps they were concerned that if Mr. Han publicized the poor conditions in the timber camps, there would be difficulties extending the timber agreement from 1991 to 1996.

Moscow news interviewed a former high-ranking North Korean official who was exiled to the Soviet Union. He asked not to be identified and revealed that North Korean political protection guard personnel are not just located in Chegdomyn, they are also located in Moscow, and that this article showed only one part of a much larger problem:

[Question] Is it true that people are tortured in Chegdomyn?

[Answer] Yes, it is true. Soviet law cannot totally reach into the timber worker's residential district. Only North Korean laws are enforced and there is not only torture, but also executions. A number of North Korean timber workers have disappeared without a trace. On several occasions they have discovered pieces of dismembered bodies near the Chegdomyn River.

[Question] Are political protection guard personnel active in other areas?

[Answer] North Korean secret service personnel activities began in 1966. They were formed after North Korean students began to doubt Kim Il-song's position as an idol after the Soviet 20th communist party convention. Normally, secret service agents disguise themselves as diplomatic personnel when they enter the Soviet Union and have been responsible for sending home North Korean students who experience ideological problems while in the Soviet Union. In one instance, secret service agents tried to kidnap a North Korean student by injecting him with a sleep-inducing drug, but the attempt failed and was reported to Soviet police authorities. Even though it was not publicized, the Soviet Foreign Affairs Office lodged an official complaint with the North Koreans.

[Question] Were there similar cases that occurred during Brezhnev's time?

Sparks Fly Over Diplomatic Problems

[Answer] There were almost none, however, in the 1970's the Bulgarians uncovered a plot to kidnap a North Korean student and sparks flew from the diplomatic problems that the two countries experienced over this incident.

[Question] Do restrictions imposed by North Korean political protection guard personnel also apply to North Koreans who are permanent residents in the Soviet Union?

[Answer] They have never threatened them. Almost all North Korean spy activity has been conducted through North Koreans who are permanent residents in the Soviet Union.

Stanislav Glukirov, a Moscow news reporter, concluded his article with follow-up questions regarding the length of time that the Soviets have looked the other way when North Korean security personnel have violated the human rights of some of the North Korean citizens living and working in the Soviet Union, in order not to jeopardize good political relations with their socialist comrades.

* Japanese, ROK Industrial Structures Compared

912C0181A Seoul MAEIL KYONGJE SINMUN in Korean 13 Mar 91 p 3

[Article by reporter Kim Tae-ho: "Bank of Korea Analyzes ROK Industrial Structure in Comparison to Japan's"] txt [Text] The Bank of Korea released "The ROK and Japanese Industrial Structures Compared and Analyzed" on 13 March. This release reveals that our industrial structure still remains frail. It seems that the weakened competitiveness of the manufacturing industry, which is becoming the biggest stumbling block to our industry, has been caused precisely by such frailty of the industrial structure.

To begin with, a look at the production structure shows that constituting its mainstream are the industry related to daily necessities and the basic materials industry, two industries which are labor intensive and known for excess consumption of energy.

These two industries account for no less than 79.4 percent of the total industrial production. A mere 20.6 percent is represented by the industry processing and assembling electrical and electronic goods, industry which is comparatively high in new product inducing efficacy and in creating added value. This, in turn, cannot but bring about the weakening day by day of our international competitiveness. In Japan's case, the processing and assembling industry accounts for 37.6 percent.

The international trade structure is also cramped, with no relief in sight. Most remarkable in this structure is the high dependence on the import of intermediate goods. According to the Bank of Korea analysis, our dependence on the import of intermediate goods for the manufacturing industry is 21.7 percent, three times as high as Japan's import of intermediate goods which is 7.2 percent. What this means is that for every unit product of ours we have to import the intermediate goods equivalent to 21.7 percent from foreign countries. So there is no way to save our international trade structure from worsening.

Precisely herein lies the reason why the imports increase even as domestic production and exports improve. Our dependence on foreign countries for capital goods is 36.7 percent or about 10 times as high as Japan's 3.6 percent.

The frailty of our industrial structure is well demonstrated in energy consumption too. In the total production of the manufacturing industry the input of energy accounts for 6.3 percent as against Japan's 4.7 percent, or 1.34 times as high.

To say that the energy input is high in percentage means that our industry is oriented in excess consumption of energy. When the Gulf situation boosted the oil price, our industry suffered a great blow. It is pointed out that our energy consumption pattern was to blame for it.

The structure for demand, too, still remains backward. Among the ultimate demand, domestic consumption represented 51.5 percent, more than 10 percent lower than Japan's 61.7 percent. As opposed to this, exports represented 25.7 percent, greatly higher than Japan's 13.4 percent. In the final analysis, Japan's structure for demand is oriented in domestic consumption such as consumption by the private sector and domestic investment while ours is oriented in exports. To say that the demand structure is high in overseas dependence means that our economy is affected by that much by overseas economies. There is a saying that goes like this: If advanced countries such as the United States and Japan cough, we suffer a cold. It may be said that such a saying has come about precisely because of the frailty of said demand structure.

Backwardness of the industrial structure cannot but apply the brakes on our economy which wants to hurry forward. The Bank of Korea, as the greatest ill effect which such frailty of the industrial structure brings about, pointed out the fact that it would be difficult to raise the added value. In order to sharpen the competitiveness, it is imperative to raise the added value first. The operations which the government is pushing forward at present toward raising the competitiveness of the manufacturing industry are in the final analysis aimed at increasing the added value. Still, the operations are experiencing difficulties on account of the backwardness of the industrial structure.

The input into the unit product of our manufacturing industry is 1.22 times as high as Japan's. What this means is that for the same quantity of product we have to put in more. Conversely, this brings down the added value by that much. Such is what results from our backwardness in technology, which in turn necessitates the use of more raw material.

In the final analysis, in order to sharpen the competitiveness of the manufacturing industry, the effort leads one to reach the conclusion that one must begin first by making technological development.

The frailty of industrial structure deals no small blow to the efficacy of international trade as well. The percentage of export out of total production continued to grow, i.e., 19.8 percent for 1975, 20.4 percent for 1980, and 22.5 percent for 1985, higher than Japan's which were 10.2 percent for 1975, 11.4 percent for 1980, and 13.3 percent for 1985. However, our foreign currency earnings fell on the contrary from 61.5 percent in 1980 to 58.1 percent in 1985.

In terms of the absolute numerical value, too, ours is way below Japan's 84.3 percent for 1980 and 87.5 percent for 1985. This means that for the large quantities we sell, the net profit is not particularly big. The Bank of Korea analysis attributes such poor earning power to the poor showing in the effort to use domestic materials as replacement.

In addition, our industrial structure still remains labor intensive and the businesses cannot help feeling it as a particularly heavy burden in times of rising wages.

The effect the rising wage exerts on the price was, as of 1985, 2.1 percent per 10 percent [of wage increase] which of course was lower than Japan's 4.3 percent. However, by 1990 it was approaching Japan's level.

It is indicated, emphatically, that if our economy were to overcome the difficulties it is going through today and achieve another leap forward, it is imperative that the industrial structure must be turned sound.

Seoul To Ratify Marine Prospecting Convention

SK0706033091 Seoul YONHAP in English 0156 GMT 7 Jun 91

[Text] Seoul, June 7 (YONHAP)—South Korea is ready to begin deep-sea prospecting for minerals and will ratify the U.N. Convention on the Law of the Sea and enact a law on deep-sea prospecting this year, the Energy and Resources Ministry said Thursday.

Korea will begin by searching for manganese modules in the Clarion-Clipperton zone of the Pacific southeast of Hawaii, a 10,000-hectare area set aside by the United Nations for Korea.

Manganese modules contain mangan, copper, nickel and cobalt, which are widely used in space science and aviation, a Ministry official said.

He said a company will be set up by 1993 exclusively for deep-sea mining.

The Korea Institute of Energy and Resources and Korea Maritime Institute will start research in the Pacific in January, when the Ministry receives a ship it has bought from Norway for 25 million dollars.

The international seabed authority adopted a convention on protecting and exploring in 1982 and Korea signed it the next year.

No Hands Back Education Minister's Resignation

SK0706115391 Seoul YONHAP in English 1133 GMT 7 Jun 91

[Text] Seoul, June 7 (YONHAP)—President No Tae-u on Friday returned education minister's resignation, saying the government faces an urgent task of restoring peace on college campuses.

Education Minister Yun Hyong-sop submitted his resignation Wednesday, claiming responsibility for the incident at Hanguk University of Foreign Studies June 3 where tens of students pelted eggs and flour, kicked and punched the prime minister on his way out of a lecture.

The students hold Prime Minister Chong Won-sik responsible for the layoff of hundreds of schoolteachers who tried to join the National Teachers' Union he outlawed while serving as an education minister for two years from December 1988.

The incident shook up public emotions and led to government resolve to crack down sternly on campus violence.

No, in handing back the resignation, said he understands Yun's feelings but it is more urgent for the universities to reclaim its status as a scholarly forum, presidential spokesman Yi Su-chong said.

The president asked that the minister give full efforts to eradicating campus violence and restoring academic authority, the spokesman said.

Yun, appearing before the National Assembly Education-Sports Committee in the afternoon, said the student attack on the prime minister is "symbolic of the common decay in the country's universities."

"It is time to confront the problem nationally through recovery of ethics and educational sanctity through academic democratization and liberalization," he told the committee.

Meanwhile, Prime Minister Chong returned the resignations handed in by Kang Yong-sik, chief secretary, and Shim Tae-pyong, chief administrative coordinator at his office.

Poll Respondents 'Shocked' by Attack on Premier

SK0706012591 Seoul THE KOREA HERALD in English 7 Jun 91 p 2

[Text] While expressing shock over the recent violence on Prime Minister-designate Chong Won-sik by radical students, many adult Koreans think it is important that politicians undergo self-reform in order to uproot campus unrest, a government-sponsored opinion survey shows.

Of 509 adults polled June 4-5 throughout the nation except Cheju Island, a whopping 80.6 percent said they felt it is not safe for their children to attend college under the present campus atmosphere.

The telephone survey, conducted by Korea Research on behalf of the Information Ministry, revealed that 80.1

percent thought that the mob attack on the prime minister Monday should give impetus to the abolition of campus violence.

In order to get rid of violence on college campuses, 16.7 percent said politicians should behave themselves, 12.8 percent called for meaningful dialogue between the government and students, 11.4 percent backed up harsh crackdowns on radical students, 9.6 percent counseled restraint on the part of students, 6.1 percent stressed the importance of better family education and 4.3 percent demanded social stability.

The Information Ministry, which released the survey results, said 23.6 percent had no opinion.

The findings showed that 50.7 percent of the respondents thought that the present campus violence is "very worrisome" and 32 percent voiced "some" concern.

More than half of the respondents (66.4 percent) said they and student activists have different views about "democratization."

About the unprecedented attack on the prime minister, 85.4 percent said they were shocked, 74.3 percent said the violence was immoral and unethical and 10.4 percent said the assault was prompted by a sense of justice on the part of the students.

Education Ministry Plan To Control Radicalism

SK0706071091 Seoul YONHAP in English 0524 GMT 7 Jun 91

[Text] Seoul, June 7 (OANA-YONHAP)—The government, in a determined drive to deny radical forces sanctuary on campuses, will no longer allow students to hand out anti-state printed matter, put up hand-written posters, hang placards or make firebombs (already illegal) on college or university grounds.

The tight controls on student activism follow an assault on Prime Minister Chong Won-sik on a campus early this week and are among "campus stabilization measures" drawn up by the ruling party and the Education Ministry in a consultative meeting.

Under the measures, the Ministry will provide financial help to schools that employ private security guards to maintain order and protect facilities from student attack, a Ministry spokesman said.

There will be strict educational management of students and limits to the on-campus political activities of their professors to restore the authority of faculty members, the spokesman said.

The National Assembly Education and Sports Committee is to be given a report on the measures Friday afternoon, he said.

In general, campus conditions will be less easy for activist students, who the government estimates account for a tiny fraction of the student population.

Students are banned from staying overnight on their campuses without university approval, and a government permit is required for students from other schools to use campus facilities for anti-government rallies or protests.

This was done because campuses are "hotbeds of impure elements abetting and masterminding violence," the spokesman said.

After the fatal police beating of a student on April 26, a coalition of dissident groups used Yonsei University in western Seoul as its headquarters in leading nationwide protest rallies until it recently moved to Myongdong Cathedral in the center of the capital.

To prevent membership fees for student councils from being used to bankroll the manufacture of firebombs or radical causes, councils must get university permission to spend money and hand over control of on-campus shops and vending machines to the university, proceeds of which went to financing campus activism.

School regulations prohibiting campus violence or disturbing classes will be beefed up so students with bad marks or who break regulations will fail their course or be kicked out of school.

To stop professors from issuing statements or engaging in political activities that might influence students, laws will be revised through consultation with concerned ministries, he said.

Some professors were among those who protested the police beating of the student, issuing anti-government statements and demanding social and political reforms.

"The measures were made to prevent a recurrence of campus violence and create a mood for studying. Their main content reflects what the presidents and deans of 63 universities and colleges agreed on in their discussion of counter measures for the violence against Premier Chong at a meeting on Wednesday," he said.

Chong was pelted with eggs and flour, and jostled and kicked by a few dozen students at Hanguk University of Foreign Studies for half an hour on Monday evening when he turned up to give a farewell lecture at the graduate school.

The scene of Chong plastered with flour and eggs was televised repeatedly and radical students have drastically lost support not only among the public but also among students in general.

Dissident Reverend's Return to Jail Examined

SK0706082691 Seoul YONHAP in English 0659 GMT 7 Jun 91

["Return of Mun Ik-hwan to Jail Opens Drive Against Dissidents by Kim Hyong-kun"—YONHAP headline]

[Text] Seoul, June 7 (YONHAP)—The return of a prominent South Korean dissident to jail for parole violation Thursday is taken as a signal that the government, capitalizing on public outcry against student violence, has fired the opening shot in an all-out offensive against dissident and student forces.

One reason for sending the 73-year-old Rev. Mun Ik-hwan back to prison was that his health had improved, the prosecution said, but it is apparent that a major goal was to end the six weeks of social unrest and political crisis set off by the fatal police beating of a student during a demonstration.

The protestant clergyman was released in October last year for health reasons. He was serving a 7-year sentence for making an unauthorized visit to Pyongyang, where he met with North Korean President Kim Il-song, in March 1989.

The prosecution had warned Mun many times that he was violating the conditions of his parole by his involvement in political activities, but his arrest brought immediate cries from opposition parties that the government was "using the current political situation to extend its heavy-handed rule."

Since his release, the clergyman has been a thorn in the government's side, delivering speeches at over 100 meetings of students and dissidents, and participating in anti-government activities despite serious liver and kidney disorders.

He is chairman of a coalition of dissident groups formed after Kang's death and led dozens of nationwide protest rallies. He is also chairman of a dissident committee for the funeral of Kim Kwi-chong, a student who died during a street clash on May 25.

Mun was not the only person to be removed from the streets, the police have begun a massive roundup of dissidents and activists, insisting the public is demanding action in response to Monday's student assault on Prime Minister Chong.

Calling the half-hour melee a "frontal challenge to the government and its authority," the government vowed to eradicate "leftist sympathizers and elements" from campuses and began an investigation of the National Council of Student Representatives (Chondaehyup).

On Thursday, three Seoul universities were stormed by riot troopers and at least 100 students detained for questioning. The police also confiscated huge stockpiles of firebombs, placards and pickets.

The government's war against radical students spilled over to dissidents and labor activists, and the police issued arrest warrants for dissident coalition leaders and rounded up strikers at a couple of companies.

Some fear Mun's arrest bodes ill for inter-Korean talks as he is the most prominent of the South's dissidents, whom Pyongyang encourages, and because North Korea had made his release a condition for resuming major inter-Korean talks.

The second round of prime ministerial talks were held in the North Korean capital on Oct. 16 and Mun was released on parole on Oct. 20 in a gesture toward Pyongyang. North Korean football players arrived in Seoul for a friendly match on Oct. 21.

Others fear that the government has gone overboard by jailing Mun, who is widely respected among dissidents, and may not only lose the public support it gained by the assault on Chong but turn the tide in favor of the dissident and activist groups.

Ministers Announce Election Protection Measures

SK0706034991 Seoul YONHAP in English 0224 GMT 7 Jun 91

[Text] Seoul, June 7 (YONHAP)—The government asked political parties Friday not to hold rallies until after the June 20 local elections and announced it would deal sternly with people who take advantage of the election mood to commit crimes.

Home Minister Yi Sang-yon and Justice Minister Kim Ki-chun told a joint news conference the number of campaign watchers would be doubled to 6,000 to control vote buying and other forms of illegal campaigning.

Heavy punishment will be sought for government officials who are involved in electioneering or who cause even a suspicion of influence peddling.

In close races, mobile investigative teams will be sent to keep an eye out for vote buying.

Yi said 22,000 police officers would be assigned to campaign duty.

Leftists will be subject to punishment if they commit acts of violence or engage in agitation under cover of campaigning, Kim said.

Burma

NLD Representative U Tin Maung Resigns

BK0406144391 Rangoon Radio Burma in Burmese 1330 GMT 4 Jun 91

[Announcement No. 931 of the Commission for Holding Multiparty Democratic General Elections of the Union of Myanmar, dated 4 June 1991]

[Text] Subject: Declaration allowing U Tin Maung, elected parliamentary representative from Yesagyo-2, Magwe Division, to resign.

1. U Tin Maung, who was elected as a representative of the People's Assembly during the multiparty general elections from Magwe Division's Yesagyo-2 constituency, has declared that he is an elected representative of the National League for Democracy [NLD]. He said some members of the NLD in Yesagyo are writing, acting, and speaking according to their own wishes without respect for the law. He therefore requested the commission to allow him to resign as the representative of Yesagyo-2 constituency as he believed these members' future actions which could infringe on the law could adversely affect his own prestige as well as that of the league.

2. In response to U Tin Maung's request, the commission hereby declares that U Tin Maung has been allowed to resign as a representative of the People's Assembly effective today in accordance with Article 11-E of the People's Assembly Law.

By the authority vested in me,
Signed: Aye Maung, secretary

Three Kyaukkyi Township NLD Members Surrender

BK0606152591 Rangoon Radio Burma in Burmese 1330 GMT 6 Jun 91

[Text] Three members of the Kyaukkyi Township National League for Democracy [NLD], who had earlier gone underground, surrendered without any arms to Kyaukkyi Township Law and Order Restoration Council on 31 May. They are U Than Tun, alias Aesop, 40, vice chairman of Kyaukkyi Township National League for Democracy, son of U Aung Dade of Bago ward, Kyaukkyi Township; U Tun Aung, 49, secretary of Kyaukkyi Township National League for Democracy, son of U Po Kaung of Katkyi ward, Kyaukkyi Township; and U Tin Win, 42, treasurer of Kyaukkyi Township National League for Democracy, son of U Kyin Maung of Bago ward, Kyaukkyi Township.

U Than Tun, alias Aesop, went underground on 7 March 1991 while U Tun Aung and U Tin Win went underground on 23 May.

According to their testimonies, 12 members of the Kyaukkyi Township National League for Democracy, including the elected representative Tun U, have gone underground. Nine others, including Tun U, are still in the jungles. Of these people, Tun U alone has taken his family along with him to Manerplaw—the central headquarters of the insurgent KNU [Karen National Union]. Tun U is the minister of social welfare in the parallel government led by Sein Win.

Offices of the parallel government and the National League for Democracy, Liberated Area, have been set up in Manerplaw.

The KNU provides a monthly assistance of 30,000 baht to the National League for Democracy Office in Manerplaw. However, since May 1991, the funding has been cut back to 25,000 baht. Hence, in order to seek additional funds for their subsistence, a decision was made at a meeting to engage in the blackmarket cattle trade. U Than Tun, alias Aesop, U Tun Aung, and U Tin Win were given duties to conduct the trade.

The three people surrendered without arms after they were dispatched from Manerplaw on duty.

Disqualified Unsuccessful Candidates Listed

3 Jun Announcement 929

BK0306142191 Rangoon Radio Burma in Burmese 1330 GMT 3 Jun 91

[Announcement No. 929 of the Commission for Holding Multiparty Democratic General Elections, dated 3 June 1991]

[Text] Subject: Declaration of unsuccessful parliamentary candidates and their election agents who failed to submit election expenses as unqualified persons.

1. Parliamentary candidates who contested in the multiparty democratic general elections of 27 May 1990 and their election agents are required to submit election expense accounts in accordance with Article 81 of the election rules.

2. However, the candidates mentioned below failed to submit the election expense accounts as required. Therefore, in accordance with Article 88-C of the Election Rules, the commission has declared them unqualified persons.

Names of unsuccessful parliamentary candidates and party organization:

A. U Thein Tun, Union Nationalities Democracy Party, Pegu-1 constituency. Name of election agent: U Than Myint
B. U Kyaw Sann, Union Nationalities Democracy Party, Daik-U-2 constituency
C. U Tin Win, Union Nationalities Democracy Party, Thanatpin-1 constituency
D. U Myint Soe, Democratic Front for National Reconstruction, Union of Burma, Thanatpin-2 constituency

3. The commission therefore declares parliamentary candidates and their election agents mentioned in Section 2 unqualified persons, in accordance with Article 89 of the election rules.

By the authority vested in me.
Signed: Aye Maung, secretary

4 Jun Announcement 930

BK0506100391 Rangoon Radio Burma in Burmese 1330 GMT 4 Jun 91

[Announcement No. 930 of the Commission for Holding Multiparty Democratic General Elections, dated 4 June 1991]

[Text] Subject: Declaration of unsuccessful parliamentary candidates and their election agents who have failed to submit election expenses as unqualified persons.

1. Parliamentary candidates who contested in the multiparty democratic general elections of 27 May 1990 and their election agents are required to submit election expense accounts in accordance with Article 81 of the Election Rules.

2. However, the unsuccessful candidates mentioned below have failed to submit the election expense accounts as required. Therefore, according to Article 88-C of the Election Rules, the commission has declared them unqualified.

Names of unsuccessful parliamentary candidates and party organization:

A. U Hla Saw, Pyu-2 constituency, Union Nationalities Democracy Party
B. U Kyin Myint alias U Myint Kyu, Union Nationalities Democracy Party, Yedashe-1 constituency
C. U Tin Maung Kyi, Union Nationalities Democracy Party, Kawa-1 constituency Name of election agent: U Kyaw Myint
D. Daw Khin Than Nwe, Democracy Party, Nyaunglebin-1
E. U Myint Thein, Democracy Party, Pegu-1 constituency Name of election agent: U Kyee Myint

3. The commission therefore declares parliamentary candidates and their election agents mentioned in Section 2 as unqualified persons, in accordance with Article 89 of the Election Rules.

By the authority vested in me.
Signed: Aye Maung, secretary

5 Jun Announcement 932

BK0606070391 Rangoon Radio Burma in Burmese 1330 GMT 5 Jun 91

[Announcement No. 932 of the Commission for Holding Multiparty Democratic General Elections, dated 5 June 1991]

[Text] Subject: Declaration of unsuccessful parliamentary candidates and their election agents who failed to submit election expenses as unqualified persons.

1. Parliamentary candidates who ran in the multiparty democratic general elections of 27 May 1990 and their election agents are required to submit election expense accounts in accordance with Article 81 of the Election Rules.

2. However, the candidates mentioned below failed to submit the election expense accounts as required. Therefore, in accordance with Article 88-C of the Election Rules, the commission has declared them as unqualified persons.

Names of unsuccessful parliamentary candidates and party organization:

A. U Tin Myint, Union Nationalities Democracy Party, Kanbalu-1 constituency
B. U Htay Maung, League for Democracy and Peace, Taze-1 constituency
C. U Zaw Win, League for Democracy and Peace, Tabayin-1 constituency
D. U Ba Tin, Democratic Front for National Reconstruction, Union of Burma, Shwebo-2 constituency. Name of election agent: U Khin Maung Swe
E. U Phone Kyaw, Independent, Wetlet-2 constituency

3. The commission therefore declares parliamentary candidates and their election agents mentioned in Section 2 as unqualified persons, in accordance with Article 89 of the Election Rules.

By the authority vested in me.
Signed: Aye Maung, secretary

6 Jun Announcement 933

BK0706074991 Rangoon Radio Burma in Burmese 1330 GMT 6 Jun 91

[Announcement No. 933 of the Commission for Holding Multiparty Democratic General Elections, dated 6 Jun 1991]

[Text] Subject: Declaration of unsuccessful parliamentary candidates and their election agents who failed to submit election expenses as unqualified persons.

1. Parliamentary candidates who ran in the multiparty democratic general elections of 27 May 1990 and their election agents are required to submit election expense accounts in accordance with Article 81 of the Election Rules.

2. However, the candidates mentioned below failed to submit election expense accounts as required. Therefore, in accordance with Article 88-C of the Election Rules, the commission has declared them as unqualified persons.

Names of unsuccessful parliamentary candidates and party organizations:

A. U Ah Pu Tin Myint, Lishu National Solidarity, Hkawbude constituency
B. U Pawsa Breng Tap, Union Nationalities Democracy Party, Putao constituency. Name of election agent: U Saw Nwe Sein Mya
C. U Tin, Union Nationalities Democracy Party, Budalin-2 constituency
D. U Ne Win, League of Democratic Alliance, Monywa-2 constituency. Name of election agent: U Aung Mun
E. U San Pe, League for Democracy and Peace, Yinmabin-1 constituency
F. U Thein Tun, Union Nationalities Democracy Party, Ayadaw-2 constituency

3. The commission therefore declares parliamentary candidates and their election agents mentioned in Section 2 as unqualified persons, in accordance with Article 89 of the Election Rules.

By the authority vested in me.
Signed: Aye Maung, secretary

Brunei, Malaysia & Singapore

Malaysia

Mahathir on Commonwealth Meeting, EAEG Support

BK0706100491 Kuala Lumpur BERNAMA in English 0717 GMT 7 Jun 91

[Text] Kuala Lumpur, June 7 (OANA-BERNAMA)—The Commonwealth high-level appraisal group's meeting, which has been postponed twice, will be held a day before the Commonwealth summit in Harare in October, the Malaysian prime minister said Friday.

Dr. Mahathir Mohamed, who is scheduled to chair the meeting in London on June 11 and 12, said the group would discuss the report on the Commonwealth's future prepared by senior officials.

The Commonwealth Secretariat in London had announced on Wednesday that the appraisal group's meeting was postponed because several heads of state could not attend.

The Commonwealth summit in Harare, Zimbabwe is scheduled to be held from Oct 16 to 22.

"The postponement is not causing any problem as the officials have discussed the changes required of the Commonwealth and we will study their report on the eve of the Harare summit," he told reporters here.

"As India is without a prime minister while Australia and Canada cannot attend, the meeting will not achieve its objectives," Dr. Mahathir said when reporters approached him for comments on the postponement of the appraisal group's meeting.

The group was originally scheduled to meet early this year but the meeting was postponed because of the Gulf war.

The prime minister said he welcomed China's support for Malaysia's concept of an East Asia Economic Group (EAEG). It would be improper if China stayed out of a group such as the EAEG.

"Likewise it is illogical to set up an Asia-Pacific economic council without China in it," he said.

PRC Lauded; Japan Urged To Support EAEG

BK0706101291 Kuala Lumpur Voice of Malaysia in English 0800 GMT 7 Jun 91

[Station commentary]

[Text] Malaysia's proposal for the formation of the East Asia Economic Grouping, EAEG, has received fresh encouragement with the expressed support of China for its establishment. President Yang Shangkun, who is presently on a state visit to Indonesia, was firm in his opinion that the EAEG was vital in strengthening regional cooperation and has a positive signficance toward increasing the economic strength of East Asian countries. China, which feels that any form of regional cooperation will be incomplete without its participation, wants to cooperate with its Southeast Asian neighbors in efforts to establish a new type of international relations and promote peace. According to Mr. Yang, a new international order should be established on the principles of mutual respect and noninterference in the internal affairs of individual countries.

This expression of support from China for the proposed EAEG is most welcome as it would boost ASEAN's efforts in promoting the economic strength and growth of countries in East Asia. China is an important member of this region and its views are considered vital in the pursuance of ASEAN's promotion of free world trade. Moreover, it is a member of the UN Security Council and has a strong voice in matters of global significance. When there are countries which make attempts to abort ideas such as the formation of the EAEG, ASEAN and other countries in East Asia can look toward China to make a dissenting voice to view such ideas in their proper perspective.

ASEAN countries are still nurturing hopes that Japan will come forward to see the positive aspects of the EAEG concept. As the vice president of the Malaysia-Japan Economic Association, Tan Sri Azman Hashim said at the association's annual conference in Kyoto yesterday the support of Japan is crucial to give the EAEG consultative group an added strength. Japan should be able to sympathize with the East Asian countries' needs for such a forum to discuss various trade issues that concern them with the aim of promoting freer and greater global trade. Japan, as one of the world's major industrialized powers, has to play its part in helping her other East Asian neighbors to achieve greater economic stability.

The developing countries in this region are not vying to be economic powers of the stature of Japan or nations of the developed West. What they want and need is an opportunity for greater access to the world market for their products so that their peoples can enjoy better standards of living. It is well known that Japan has spread its wings to the vast corners of Asia. Japanese conglomerates have established themselves and poured in millions [of dollars] of investments in Southeast Asia. They have found in these countries an adequate supply of skilled and relatively cheap labor. Their investments have been to the mutual benefit of Japan and the countries she has invested in. It is now for Japan to show a greater sense of purpose and commitment by supporting the formation of the EAEG.

The stalled Uruguay round of multinational negotiations under GATT have become a source of worry and concern for the developing countries. As the minister of international trade and industry, Datuk Sri Rafidah Aziz, says, so long as the GATT meetings remain inconclusive, countries with less economic strength such as those in East Asia will continue to face numerous economic problems.

While Malaysia and ASEAN welcome China's support for EAEG's formation, they hope that similar encouragement will be forthcoming from Japan as well as the U.S. and other developed nations so that the proposed regional economic grouping can get off to a sound start.

Sudanese President Arrives for Official Visit

BK0606045991 Kuala Lumpur BERNAMA in English 0307 GMT 6 Jun 91

[Text] Kuala Lumpur, June 6 (OANA/BERNAMA)—Sudanese President Lt. Gen. 'Umar Hassan Ahmad al-Bashir arrived here Thursday for a three-day goodwill mission to further strengthen existing ties between Malaysia and the republic.

President 'Umar was met on arrival by prime minister, Dr. Mahathir Mohamed, Foreign Minister Abdullah Ahmad Badawi and minister in the Prime Minister's Department, Abang Abu Bakar Mustapha who is minister-in-attendance.

President 'Umar was then accompanied to Parliament where he was accorded an official welcoming ceremony.

Dr. Mahathir will later call on the Sudanese President at Carcosa Seri Negara [State Guest House], where Lt. Gen. 'Umar is staying during his visit.

The Yang Di-Pertuan Agong (King) Sultan Azlan Shah will host a state banquet in honour of Lt.Gen. 'Umar at Istana Negara [State Palace] Thursday night.

Attends State Banquet 6 Jun

BK0606143691 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 6 Jun 91

[Text] His Majesty the Yang Di-Pertuan Agong Sultan Azlan Shah tonight called on countries of the Muslim world to rebuild their solidarity and enhance cooperation among one another. He said Islamic nations must act now or they would never be able to beat the challenges ahead. He was speaking at a state banquet in honor of visiting Sudanese President Lieutenant General 'Umar Hassan Ahmad al-Bashir at Istana Negara [State Palace] in Kuala Lumpur.

His majesty said the Gulf war which has caused incalculable loss of life and property had shaken the Islamic ummah [followers]. In addition, other Islamic countries were afflicted with tragedies caused by civil wars resulting in millions of people becoming refugees facing famine and hopelessness. These events cause severe anguish and the Islamic ummah must be determined to avoid them by staying close together to avoid wars among themselves and to help each other. His majesty also said that it was equally important for developing countries to work together and to speak in one voice on matters that affected them.

On bilateral relations, his majesty said he was confident that Lt. Gen. 'Umar's visit to Malaysia would be the beginning of a new and more productive era between both countries.

Lt. Gen. 'Umar, in his speech, expressed Sudan's admiration of Malaysia's achievements in the economic field. He said he wanted to know more about Malaysia's privatization policy. He said in line with South-South cooperation, both countries needed to enhance cooperation and consultations, step up high-level mutual visits, and encourage interaction of the private sector.

Manufacturing Sector Records Higher Sales

BK0606104091 Kuala Lumpur BERNAMA in English 1004 GMT 6 Jun 91

[Text] Kuala Lumpur, June 6 (OANA-BERNAMA)—Malaysia's major industries in the manufacturing sector registered a 21.8 percent rise in their total sales to M [Malaysian] $18,133.2 million (U.S. $1: M $2.75) in the first quarter of this year, the Statistics Department reported Thursday.

The amount compared with M $14,884.4 million in the corresponding first three months of 1990, the department added in the latest issue of its monthly manufacturing statistics released here.

The survey is designed to collect data on the manufacturing sector, specifically on sales value, employment, and salaries for the compilation of the index for the manufacturing sector, it said.

It said that total sales of the 56 industries surveyed during the period rose 15.2 per cent to M $6,407.1 million in March from M $5,561.1 million in February, 1991.

It added that 18 of these industries reported a total sales value exceeding M$100 million each. Together, they accounted for M $13,901.4 million in total sales, up 24.1 per cent from M $11,206.2 million recorded in the same period of 1990.

The department said the contribution of these 18 industries was about 77.3 per cent of the total sales reported by the industries covered.

The 18 industries included the manufacture of semiconductors and other electronic components and communication equipment and apparatus, petroleum refineries, radio and television sets, sound reproducing and recording equipment, rubber remilling and rubber latex processing, and the manufacture of industrial gases.

The others were the manufacture and assembly of motor vehicles, other iron and steel basic industries and tin smelting, primary iron and steel industries, clothing factories, refrigerating, exhaust, ventilating and air-conditioning machinery, spinning, weaving and finishing of textiles, rubber products, plastic products and printing, publishing and allied industries.

Specific products which showed a substantial increase in production between the first three months of this year and the same period last year included milk powder prepared as infant food, passenger cars, PVC [polyvinyl chloride] pipes, dresses for women and girls, iron and steel drums, television sets, room air-conditioners, insulated wires and cables, and wire mesh and netting.

The total of 1,649 establishments covered by the survey employed 468,407 persons as the end of March this year, an increase of 9.8 percent or 41,940 persons from a year earlier.

Cambodia

Hun Sen Returns From Jakarta Meeting

BK0706064891 Phnom Penh SPK in French 0500 GMT 7 Jun 91

[Text] Phnom Penh 7 Jun (SPK)—Hun Sen, chairman of Cambodia's Council of Ministers, and the other five Supreme National Council (SNC) members representing the State of Cambodia returned to Phnom Penh this morning after attending the second meeting between the cochairmen of the Paris International Conference and the SNC held in Jakarta from 2 to 4 June.

They were greeted on their return by Bou Thang, Chea Soth, and Say Chhum, members of the Political Bureau and vice chairmen of the Council of Ministers; Men Sam-an, member of the Political Bureau and chairman of Cambodia's Federation of Trade Unions; Nguon Nhel, member of the Political Bureau and minister of agriculture; and other high-ranking officials.

During a news conference at Pochentong Airport, Prime Minister Hun Sen said that "we are ready to welcome Prince Sihanouk this November," in reference to the declaration made Thursday, 6 June, by the former monarch saying that he would return to Cambodia and stay there for two months.

Hun Sen revealed that Prince Sihanouk would celebrate his birthday in Phnom Penh and would bring back from Beijing the remains of his mother-in-law.

"In return, according to the plan, I will visit his residence in Pyongyang and will work out a scenario with him there," affirmed Hun Sen.

The chairman of the Cambodian Council of Ministers moreover assessed that his agreement with the prince on the composition and leadership of the SNC "is a chance" and "a good opportunity" for the peace process in Cambodia. He expressed his regret at the Khmer Rouge refusal to support that agreement, but believed that the mustering of the forces of Phnom Penh and the non-Khmer Rouge parties would also promote this process.

Welcomes 'Spirit of Cooperation'

BK0706083891 Hong Kong AFP in English 0807 GMT 7 Jun 91

[Text] Phnom Penh, June 7 (AFP)—Cambodian Prime Minister Hun Sen welcomed here Friday a new spirit of cooperation with Prince Norodom Sihanouk while slamming the communist Khmer Rouge for blocking the latest peace moves.

The premier also called on Khmer Rouge guerrillas to ignore orders to break a cease-fire and urged them to rally to the Phnom Penh side.

Mr. Hun Sen was commenting on inconclusive peace talks between Phnom Penh and the three resistance parties from Sunday to Tuesday in Jakarta.

"I want to tell you that the leadership of the Khmer Rouge, represented by Khieu Samphan and Son Sen, boycotted the talks... They closed the door to further negotiations," Mr. Hun Sen told officials and reporters on his return here from Jakarta via Bangkok.

The Khmer Rouge rejected an agreement between the premier and prince Sihanouk on the leadership of a joint sovereignty body, the Supreme National Council (SNC) and to continue an unprecedented ceasefire.

Fighting reportedly resumed between the Khmer Rouge and Phnom Penh forces on Wednesday.

Mr. Hun Sen said he reached agreement on the two key problems during a lunch with Prince Sihanouk in Jakarta. He said the two, at a later meeting, also agreed on the need for a cessation of overseas military supplies to the warring parties.

"This agreement was destroyed by the Khmer Rouge," who insisted that a U.N. peace plan must be accepted in full before they could start arguing about the leadership of the SNC, which groups all four factions. They agreed that the SNC should be enlarged by two members to 14 with Prince Sihanouk as chairman and Mr. Hun Sen as deputy chairman.

The talks sponsors, France and Indonesia, had called on the rivals at a closed-door meeting to accept the pact forged by the prince and the premier, Mr. Hun Sen said.

Mr. Hun Sen said that he had wanted the cease-fire launched May 1 to continue whether or not an agreement was reached at Jakarta.

This was "dismissed by the Khmer Rouge," he added. But Mr. Hun Sen said the "peace process will not be held hostage to the Khmer Rouge" and noted the new spirit of cooperation between himself and Prince Sihanouk at Jakarta.

The former monarch had agreed to come to Phnom Penh in November for the first time since early 1979 and Mr. Hun Sen said he would continue talks with Prince Sihanouk at his residence in North Korea next month.

"We welcome the visit of Prince Sihanouk in Phnom Penh," the premier said, adding that the prince could help the Phnom Penh government find a political solution to the 12-year-old civil war and prevent a return to power by the Khmer Rouge.

The Beijing-backed group came to power in April 1975 and by the time they were ousted in January 1979 hundreds of thousands of Cambodians had lost their lives.

Mr. Hun Sen said reconciliation and peace could come swiftly to Cambodia without the Khmer Rouge. But he asserted: "We don't want to isolate the Khmer Rouge, but the Khmer Rouge isolate themselves. "The Khmer Rouge have distanced themselves from the peace process."

Sihanouk, Hor Namhong To Bury 'Past Differences'

BK0506133291 Phnom Penh SPK in French 1203 GMT 5 Jun 91

[Text] Phnom Penh 5 Jun (SPK)—Prince Norodom Sihanouk received Hor Namhong, minister of foreign affairs of the State of Cambodia, and had a cordial and fraternal conversation with him in the Indonesian capital Tuesday, 4 June, according to a communique made public in Jakarta of which a copy had been obtained by our correspondent there.

The communique said: "Following this conversation, they decided to put an end to their past differences and to work together, in the spirit of national reconciliation, for the success of the peace process in Cambodia."

This meeting between Prince Sihanouk and the Cambodian minister of foreign affairs took place on the fringe of the just-ended inter- Cambodian negotiations in the Indonesian capital.

During a luncheon hosted by the prince and his spouse in honor of Prime Minister Hun Sen, the two personalities reached an agreement on the composition and leadership of the Supreme National Council (SNC) and on the extension of the cease-fire that has been effective since 1 May. However, the Khmer Rouge have rejected this agreement and said that they would have to break the cease-fire.

The former monarch called for "a consensus among non-Khmer Rouge Cambodians" on what he had agreed with Prime Minister Hun Sen. To the reporters, Sihanouk affirmed that "despite the differences between the Khmer Rouge and the other Cambodian factions, Hun Sen and himself had already built up a good basis for a new future."

Khieu Samphan's Stance in Jakarta Denounced

BK0706070891 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 6 Jun 91

[PRACHEACHON commentary: "The One Who Destroys the Cambodian Supreme National Council's Meeting in Jakarta Has Been Uncovered"]

[Text] Recently, despite the high expectations of the Cambodian people and peace- and justice-loving public opnion the world over concerning the meeting between the Cambodian Supreme National Council [SNC] and the Paris conference cochairmen and the UN secretary general's special envoy in Jakarta, Indonesia, and despite the extensive welcome from all circles for the State of Cambodia's goodwill, Khieu Samphan, representative of the genocidal Pol Pot clique, created new obstacles full of tricks threatening to doom this meeting right from the start.

Khieu Samphan, who still boasts that his group is powerful and can eventually win the war, successively made unreasonable objections to various agreements between Comrade Chairman Hun Sen and Sihanouk on the 7-plus-7 formula, the selection of Sihanouk as chairman and Comrade Hun Sen as vice chairman in the SNC, the extension of the cease-fire until a political solution is reached, and the State of Cambodia's stance concerning the issue of preventing the genocidal Pol Pot regime's return.

This time around, the opposition of Khieu Samphan, who represents the genocidal Pol Pot regime and whose hands are stained with the blood of over 3 million Cambodians, has clearly shown that this group has never cared about a political solution to quickly end the bloody war in Cambodia as it has claimed. What was even more shameful was that although Khieu Samphan was using this or that excuse to justify his opposition, in the end, he was unable to fool anyone about his group's outdated trick.

The French cochairman Alain Vivien, deputy French foreign minister, expressed his dissatisfaction and blunt denunciation and strong criticism in Jakarta saying that it is Khieu Samphan himself who is obstructing efforts to reach a peace in Cambodia. Thus, it is enough to say that Khieu Samphan's acts in Jakarta this time around, as on previous occasions, have brought nothing to the meeting except a destructive position designed to serve the strategy of his group's return, as (Chan Samut)—a former Pol Pot officer who recently surrendered to the State of Cambodia's state authorities—has told local and foreign reporters.

It was this warmongering attitude of Khieu Samphan that prevented the latest Jakarta meeting from fulfilling any of its essential tasks, despite the efforts and assistance of the Paris conference cochairmen—France and Indonesia—and the UN Secretary General.

More than ever, we believe that in order to create an atmosphere to really calm the Cambodian people down concerning the prevention of the Pol Pot regime's return, countries involved in the Cambodian problem should pay further attention to setting up a tribunal to try the Pol Pot clique and to preventing any Cambodian, who does not expose the Pol Pot clique's genocide, from taking part in the elections of the political solution. As Comrade Chairman Hun Sen said in Jakarta, this is fully reasonble.

The Cambodian people categorically denounce and oppose all maneuvers attempting to bring back the genocidal Pol Pot regime, which would create new destruction and untold suffering to the nation.

SPK: Tie Banh Meets Thai Leaders in Bangkok

BK0706131091 Phnom Penh SPK in English 1125 GMT 7 Jun 91

[Text] Phnom Penh SPK June 7—Cambodian Vice Premier Tie Banh, who is also minister of defence, met Thursday in Bangkok with Thai Supreme Commander Gen. Sunthon Khongsomphong.

Tie Banh informed Sunthon of the result of the PCC-SNC [Paris Conference on Cambodia-Supreme National Council] meeting in Jakarta which closed on June 4 without any final document due to, according to him, the stubborness of the Khmer Rouge who refused to discuss Phnom Penh's proposed amendment and sticking to its old stance, and also rejected Hun Sen-Sihanouk agreements.

During their talk in Jakarta on June 2 Hun Sen agreed with Prince Sihanouk on the leadership of the SNC in which the prince should be chairman and Hun Sen vice chairman in the seven plus seven formula, and on the prolongation of the cease-fire in Cambodia without limitation of time.

Gen. Sunthon expressed his support for the SNC leadership and the prolongation of the cease-fire agreed upon by Hun Sen and Sihanouk. He would make a declaration supporting Hun Sen-Sihanouk agreements, he said.

On that day Tie Banh also had luncheon with Gen. Suchinda Khraprayun, commander in chief of the Royal Thai Army, in which he asked the latter to help contribute to make SNC operational which, he said, can only facilitate in settling Cambodian problem.

In another development, Cambodian P.M. [Prime Minister] Hun Sen met today with Chawalit Yongchaiyut, leader of New Aspiration Party set up on Sept. 25, 1990.

Hun Sen said, after the meeting, that he had asked his "brother" and "old friend" (Chawalit) in his personal capacity and on behalf of his political party to remain committed in helping solve the Cambodian problem.

Chawalit, according to Hun Sen, remains committed himself to finding peace for Cambodia.

Directive Issued on Party Anniversary

BK0706120191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 6 Jun 91

[29 May directive of the Kampuchean People's Revolutionary Party Central Committee Secretariat on the 40th founding anniversary of the party—28 June 1951-28 June 1991; read by announcer]

[Text] This year we are marking the 40th founding anniversary of the Kampuchean People's Revolutionary Party [KPRP] at a time when the Cambodian revolution is taking full responsibility for all tasks and has overcome many complex difficulties and firmly preserved the national achievements. Under the party leadership, the Cambodian revolution continues to develop in a state of total control with our forces of all sectors growing stronger through concrete revolutionary movements and effectively shouldering the all-round situation. Particularly, the brilliant victories won in the last dry season by our Cambodian People's Armed Forces—in which they successfully smashed the enemies' military adventure, thus effectively motivating all aspects of work in our society, coupled with the efforts made by our party and state on the diplomatic front—have caused world public opinion to see the position of our State of Cambodia even more clearly. This has been proven by the cease-fire appeal issued by the cochairmen of the Paris International Conference on Cambodia and the UN secretary general, prompted by our position of strength on the military field and in line with our successive goodwill proposals.

However, in the all-round revolutionary struggle—political, military, diplomatic, and economic—the building of genuine revolutionary forces remains tense and complex, thus requiring the party to firmly uphold the leadership banner in all fields in order to mobilize the entire national united forces to continue braving through all obstacles for advance toward achieving the final goal of the Cambodian revolution.

The KPRP Central Committee Secretariat issues this directive on the celebration of the KPRP's 40th founding anniversary with the following objectives:

I. Objectives and Desiderata:

1. To give an in-depth education to all of our cadres, party members, combatants, and people on the history and the precious tradition of struggle of the KPRP which has originated from and succeeded the correct cause of the Indochinese Communist Party [ICP] so that they will always remember the party's noble benefaction for the motherland; and clearly understand that thanks to the party organizing and leading the national patriotic movement during the struggle against colonialism and imperialism, we won historic victories successively, particularly the great historic victory of 7 January which had salvaged our people from the cruel and brutal Pol Pot regime of genocide.

It is imperative to make them clearly see the great achievements won by our national society in the past 12 years, particularly the fact that we have successfully surmounted the complex situation in the period of nearly two years following the withdrawal of the Vietnamese troops and won the 1990-91 dry-season victories on the battlefield, because our party has a correct political line and lively and hands-on leadership tactics, thus successfully mobilizing the entire great national united forces to advance firmly on the path disseminated by the Fifth Party Congress and Second National Congress of party cadres.

At the same time, it is imperative to clearly grasp the traitorous acts—in usurping the party leadership and betraying the nation and people—of the Pol Pot-Ieng Sary-Khieu Samphan clique which has incited splits and undermined the Cambodian- Vietnamese-Lao bond of friendship and solidarity, distorted the party history, and caused destruction to the country and the people, and the cruel, barbarous, and vengeful nature of the genocidal alliance which has not abandoned its strategic schemes to topple our regime—using all means to sabotage our people's peaceful life—and to bring back the genocidal regime.

It is imperative to clearly emphasize the major experiences in our party building by stressing the strengthening of unity within the party on the basis of the strict implementation of the party's lines and the correct implementation of the principle of democratic centralism.

The party has always preserved the people's interests, continuously enhanced national unity and international solidarity, and put forth correct principles suitable for the concrete conditions in the country in order to consolidate the people's confidence in party leadership and assure their firm trust in the final victory of the revolution.

2. To continue educating the entire Armed Forces and people so that they will clearly grasp all party resolutions;

correctly understand the situation and tasks of the Cambodian revolution; enhance their sense of mastery, self-reliance, and responsibility for the national destiny; strengthen unity within the party, Armed Forces, and people; trust in the revolution's position of strength; see through the enemy's defeats and weakness; remain stable over the rapid changes of the situation; not fall prey to the enemy's psychological warfare propaganda; and be determined to brave through all difficulties and shortcomings and strive to successfully carry out all revolutionary tasks for 1991 set forth in the 12th Session of the fifth party Central Committee.

3. To promote the building and strengthening of genuine revolutionary forces in all aspects so as to further cope with all situations and eventualities. All cadres and party members must enhance the quality of their moral and revolutionary ethics; set good examples in leading a fine and simple lifestyle; practice thrift; strictly implement all party leadership principles; maintain close links to the people and combatants; constantly abide by patriotic ideals; set examples in making sacrifices for the cause of the motherland; be determined to win victories for the revolution and the people; oppose the feeling of disdain for the party's leadership role; consolidate discipline in organizing and implementing the party's principles and policies; pay attention to strengthening the party's local organizations so that they become the center for educating and training party members and building good cadres, and a link between the party and the people.

The party expansion work must proceed simultaneously with the work to strengthen the party's local organizations and party chapters, thus turning party organizations at all levels into a strong core of leadership for the people's revolutionary movements.

II. Forms of Organization and Implementation:

1. To organize political lifestyle meetings in a broad and in-depth manner to enable cadres, party members, people, Armed Forces at all levels to understand the current situation and tasks of the Cambodian revolution, particularly the victories won by our Armed Forces in the 1990-91 dry season that have boosted our counterattacks against enemy maneuvers concerning the voluntary cease-fire; to organize a training course—calling it a course of party members welcoming the 40th founding anniversary of the KPRP—on party expansion work for new party members by paying attention to model cadres, valiant combatants, and outstanding militiamen and individuals who are trusted by the masses.

The Party History Research Commission in cooperation with the Central Political School must organize a seminar in line with the three objectives mentioned above by inviting leading cadres and party members who had attended political theory courses and retired party members to attend.

The Education Ministry, in cooperation with the youth unions, must advise all schools to organize study of the documents of the Central Propaganda and Education Commission, organize examinations on the history of party struggle by linking it to the current tasks, and persuade students to write letters to cadres, party members, and combatants, who are carrying out their tasks on the front line.

2. To broadly organize get-togethers among the masses, cadres in the leading sectors at all central institutions. The comrades who are members of the party Central Committee and of the provincial and municipal party committees must visit and chat with the masses in units, factories, enterprises, villages, communes, schools, hospitals, and armed forces units. The heads of the rubber plantations must visit places where the rubber plantation workers live in order to hear what the masses have to say, speak to them, and try to explain and resolve people's demands and resentment.

3. To broadly organize revolutionary activities of the masses in order to create their enthusiastic atmosphere in welcoming the KPRP's 40th founding anniversary.

4. All mass media networks must publicize successive articles and a special issue on the festive day dedicating to the history and the KPRP's correct leadership for the cause of the Cambodian revolution in the new stage. Propaganda programs must be carried out from 1 to 30 June 1991 simultaneously with the immediate tasks. They should also pay attention to launching propaganda on the model party members and party chapters.

5. The Ministry of Information and Culture in cooperation with Phnom Penh City must organize a film week and exhibitions and publish posters and slogans concerning the KPRP history and its tradition of struggle for the national cause and the country's past and present development; and organize a series of folk performances, a song contest, and a sports competition to mark this anniversary.

6. To send delegations of party, state, and mass organizations to visit disabled, wounded, and sick combatants in hospitals, families of fallen combatants, families which have done good deeds for the revolution, and armed forces units on combat mission on the battlefield.

7. The Foreign Ministry must instruct our embassies and representatives abroad to organize a ceremony to mark this anniversary in line with the above objectives.

8. To organize meetings in the central region, provinces, cities, districts, and communes by inviting representatives of the party organizations, party members, core groups, youth unions, Armed Forces, mass organizations, families which have done good deeds for the revolution, and outstanding individuals to attend.

In the central region, the Committee for Organizing National and International Festivals, in cooperation with institutes and sectors concerned, must organize meetings on this occasion.

All sectors and all levels must implement this directive effectively.

The Central Propaganda and Education Commission, Central Organization Commission, Central Control Commission, Military Control Commission, and Interior Ministry's party chapter must set guidelines instructing the implementation of this directive according to their respective duties and tasks and must follow up, sum up, and report on the results of the implementation to the party Central Committee Secretariat before the end of July 1991.

Slogans:

1. Enthusiastically Hail the 40th Founding Anniversary of the KPRP, 28 June 1951-28 June 1991!
2. Cadres, Party Members Should Set Good Examples in Carrying Out Tasks and Daily Lifestyles!
3. Resolutely Oppose the Return of the Genocidal Pol Pot Regime!
4. Enthusiastically Support the Stance of the Party and Government of the State of Cambodia Regarding the Political Solution to the Cambodian Problem!
5. Pledge to Defend National Sovereignty and the Right to Self- determination of the Cambodian People!
6. May the Bonds of Special Solidarity and Friendship Between Cambodia, Vietnam, and Laos Last Forever!
7. Long Live the Glorious KPRP!
8. Long Live the Glorious State of Cambodia!

[Dated] Phnom Penh, 29 May 1991
[Signed] General Secretary Heng Samrin, for the party Central Committee Secretariat

Khieu Samphan Interviewed on Jakarta Meeting

BK0706013991 Bangkok BANGKOK POST in English 7 Jun 91 p 4

[Interview with Khieu Samphan, head of the Party of Democratic Kampuchea, by Suphaphon Kanwirayothin in Jakarta "earlier this week"]

[Text] [Suphaphon] Why do you reject the agreement on chairmanship of the Supreme National Council [SNC] reached between Prince Sihanouk and Hun Sen?

[Khieu Samphan] I have to underline our conviction that Prince Sihanouk is the only person in the position to mobilise every Cambodian from all sides to national reconcilation within the framework of a neutral, independent and sovereign Cambodia. Secondly, Prince Sihanouk is the only person in the position to lead the SNC in his important role to cooperate with UNTAC (United Nations Transitional Authority in Cambodia) in the implementation of the Permanent Five framework documents. This is the view of the overwhelming majority of the Cambodian people and the world community and clearly from our part. We insist that Prince Sihanouk be chairman of the SNC.

[Suphaphon] But why can't you accept the formula whereby Prince Sihanouk is chairman with Phnom Penh Prime Minister Hun Sen as vice-chairman?

[Khieu Samphan] First, the Cambodian war is not a civil war but a war of aggression by Vietnam and Hun Sen's group was installed in Phnom Penh in February 1979 by the Vietnamese troops that occupied Cambodia. It is a great concession on our part to accept the Phnom Penh group in the framework of the SNC. And it is essential to recall that the Phnom Penh regime rejected the framework documents of August 28, 1990, and kept raising one issue after another to evade accepting the framework documents.

You will recall that in September 1990 we signed an agreement but immediately they rejected that agreement. Phnom Penh and Vietnam rejected the Paris Joint Communique of December 1990.

In October 1990, they raised the vice-chairmanship issue just to oppose the documents.

Even in this meeting (June 2-4 in Jakarta) Phnom Penh proposed many, many amendments, some of which were especially aimed at changing fundamental points in the military and civilian task of UNTAC. Recently Hun Sen openly declared that he will never allow UNTAC to come and disarm even one of his soldiers. It's quite clear that Vietnam and Hun Sen are opposing the Permanent Five documents. In such a situation, we cannot give Phnom Penh, and through Phnom Penh, Vietnam, the means to destroy, or be in a position to destroy, the framework documents. That is our main reason.

Besides, the September joint declaration of Jakarta has not mentioned the vice-chairmanship. It was only the question of the chairmanship of SNC.

We cannot let Vietnam and Phnom Penh deceive the world that now the SNC is functioning, because as long as Vietnam and Phnom Penh continue to oppose the Permanent Five documents, SNC cannot be functioning in any way since SNC must work on the basis of the P-5 [permanent five] documents.

We are concerned that Vietnam and Phnom Penh will use this so-called functioning SNC to rubber stamp their propaganda that war in Cambodia is a civil war and Vietnam has nothing to do at all in this, and so if you have any issue to resolve you have to do it in the SNC.

We are asking for the implementation of the Paris Joint Declaration by calling for the reconvening at the earliest date of the Coordinating Committee of the Paris International Conference on Cambodia [PICC].

[Suphaphon] You cannot accept at all any amendment to the peace plan that Phnom Penh proposed at this meeting?

[Khieu Samphan] The Phnom Penh side had proposed many, many amendments to the November 26 draft texts of the Permanent Five peace plan. The co-chairmen (Indonesian Foreign Minister Ali Alatas and French Deputy Foreign Minister Alain Vivien) have conveyed some of those amendments to us.

We felt that by discussing those amendments, it would unleash an indefinite re-start of the negotiating process, especially on the role of UNTAC concerning the civilian and military aspects. But after assurances from the co-chairmen, particularly Mr Alatas, that they will never allow renegotiation on the role of UNTAC in those two fields, and by our spirit of cooperation with the co-chairmen so as to pave the way for reconvening of PICC Coordinating Committee at a fixed date, we have accepted some of the amendments proposed that do not fundamentally change the November 26 draft text and especially those amendments that are not against the fundamental essence of the August 28 documents. We have accepted those amendments to be transmitted to the reconvened PICC.

[Supaphon] What do you think of the Phnom Penh proposal?

[Khieu Samphan] The amendments that Phnom Penh asked for on the military aspect, even the co-chairmen would not convey to us because the proposal was too far away from the framework documents. The civilian and military role of UNTAC must not be reopened for negotiation.

[Suphaphon] In that case, what are the amendments considered negotiable to you? Does it have to do with the so-called genocide issue which Phnom Penh regards as the first priority of this meeting?

[Khieu Samphan] I cannot tell you this.

[Suphaphon] Do you still insist that the temporary ceasefire end if the meeting here achieved no agreement on the implementation of the Permanent Five peace plan?

[Khieu Samphan] You know the call for the ceasefire from the co-chairmen and the UN Secretary General was to create a positive atmosphere for this talk. Vietnam and Phnom Penh had many times delayed this meeting. And because we want to have the PICC coordinating committee reconvened in conformity with the December Paris Joint Communique we asked for this meeting and we accepted the truce call in this spirit. We are ready to prolong the ceasefire if we have the Permanent Five framework documents accepted and the PICC coordinating committee reconvened at a precise date, for instance, no later that July 1.

[Suphaphon] Why July 1?

[Khieu Samphan] No later than that because Vietnam and Phnom Penh and Hun Sen tried to avoid to pronounce acceptance of the Permanent Five framework documents. Vietnam and Phnom Penh had seized the truce opportunity to build up military forces and arsenal to launch military operations against our forces. Even the day when I left Cambodia for Jakarta on May 31, Vietnamese forces continued military operations in many parts especially along Route 10, about 30 kilometres from Pailin. I want to stress that we want a ceasefire, a real one that comes with a comprehensive settlement, with verification and control of the UN peace-keeping force.

[Suphaphon] Are you concerned that your party was being viewed as a stumbling block to the peace process as Prince Sihanouk and Hun Sen reached an accord about the extension of the ceasefire and the SNC leadership formula?

[Khieu Samphan] The National Cambodian Resistance [NCR] is united by a common basis to liberate Cambodia from the Vietnamese yoke. This common basis is very strong and has gone through a complex situation of struggle over 12 years. Now we have reached the 13th year of our common struggle. And as I have pointed out, we have now the Permanent Five documents. At this juncture I hope that the NCR continues to be strong, and united to fulfil the liberation of Cambodia.

I wish to stress that Phnom Penh and Vietnam do not want to amend but to reject the plan as a whole. Why does Vietnam always raise the so-called danger of the Khmer Rouge while opposing the disarming of all Cambodian soldiers?

We want the disarmament of all Khmer armed forces and we think that if the Phnom Penh forces are to be kept partially, this would run a very great risk of war breaking out again. Therefore we can see what Vietnam fears is not the Khmer Rouge but the presence of UNTAC, the peacekeeping force which supervises, monitors all peace process in Cambodia including the verification of Vietnamese forces' withdrawal from Cambodia. That is the root cause of the deadlock we are now facing.

Khieu Samphan Interviewed Further

BK0706015291 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 6 Jun 91

[Interview with Khieu Samphan by unidentified correspondents of the National Army of Democratic Kampuchea and Voice of Democratic Kampuchea radios"; place not given, on 6 Jun—read by announcer]

[Text] [Correspondent] Your Excellency has just returned from the meeting in Jakarta. What was the outcome of this meeting?

[Khieu Samphan] The meeting in Jakarta between the Paris conference cochairmen and the four Cambodian parties from 2 to 4 June further clearly showed the world that the Hanoi Vietnamese enemy aggressors and their puppets and lackeys continue to carry out maneuvers to oppose and reject the documents of the UN Security Council's [UNSC] five permanent members.

At the meeting, the puppets and Vietnam's lackeys proposed a lot of changes affecting the basic essence of the 28 August 1990 document, which the entire UNSC has already adopted through resolution 668. The puppets attempted to dismantle the military and civilian role of the UN Transitional Authority in Cambodia [UNTAC]. According to the framework document of the five permanent members, UNTAC has the task of carrying out extensive control activities, including ensuring that all Vietnamese aggressor forces are withdrawn from Cambodia, disarming and dissolving all four Cambodian parties' troops, and controlling the elections.

The puppets want to alter this and other points. At the meeting in Jakarta this time around, as at previous meetings, the puppets' aim is to destroy the whole document. The reason is because the Hanoi Vietnamese and their puppets and lackeys are afraid that UNTAC and the UN peacekeeping force will discover disguised Vietnamese in Cambodia. They clearly realize that if the document is implemented, Vietnam cannot hide its forces in Cambodia. The Vietnamese enemy is most afraid of a UN peacekeeping force with a clear mandate from the UNSC and with sufficient power to exercise control on the spot.

[Correspondent] There have been reports that puppet Hun Sen demanded he be made vice chairman of the Supreme National Council [SNC]. What is your view?

[Khieu Samphan] Puppet Hun Sen is the Vietnamese enemy aggressors' out-and-out lackey. He and his clique are traitors who sell the nation to Vietnam. If he is allowed to be SNC vice chairman, the Hanoi Vietnamese aggressors will do whatever they want through this puppet and lackey to destroy the document. Cambodia could no longer have peace and the Cambodian problem will never be solved.

[Correspondent] How do you view the prospects of the process to solve the Cambodian problem?

[Khieu Samphan] The meeting this time around has clearly made the world aware of the necessity to continue preserving and defending the permanent members' documents and to quickly convene the meeting of the Paris conference's coordinating committee in order to ensure that Cambodia has genuine and long-lasting independence and peace.

The Cambodian nation and people and the Cambodian national resistance forces have been victims of the war of aggression and great destruction of the Vietnamese enemy for 12 years. They need peace and the country's liberation from the Vietnamese enemy. They also believe that the world will certainly not allow the Vietnamese enemy aggressors and their puppets and lackeys to cheat at will. People will certainly force the Vietnamese enemy aggressors to accept the 28 August document and the 26 November 1990 draft agreement.

As for the Cambodian people, they have been struggling for 12 years. They will not be duped and will not let Vietnam and its puppets destroy the documents at will.

Democratic Kampuchea Army Issues 'Guidance'

BK0606020691 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 5 Jun 91

["Guidance for All Battlefields and Army Units Nationwide" from the Democratic Kampuchea National Army High Command; dated 6 June—read by announcer]

[Text] The High Command of the Democratic Kampuchea National Army [DKNA] would like to inform all battlefields, army units, and independent regiments of the following:

1. The Vietnamese enemy and puppets are playing a trick with the so-called cease-fire. In fact, as all battlefields and units have witnessed themselves through direct fighting that the Vietnamese enemy and puppets have not for a single day stopped fighting. Every day the Vietnamese enemy and puppets carry out activities to constantly attack our national resistance forces. They have constantly brought in reinforcement troops from Vietnam. Artillery pieces and tanks have constantly been brought in from Vietnam. They have launched attacks everywhere, particularly against Pailin.

   All this has been witnessed by people both inside and outside the country, on the ground and in the sky.

2. At the meeting in Jakarta from 2 to 4 June 1991, the Vietnamese enemy and puppets continued to carry out maneuvers to destroy the UN documents on solving Vietnam's war of aggression in Cambodia. They have raised various issues to continue opposing and destroying these documents.

3. Military activities on the battlefields and all these diplomatic maneuvers show even more clearly that the Vietnamese enemy and puppets have not implemented a cease-fire; they have not accepted the UN documents. On the contrary, they have raised the so-called cease-fire in order to oppose the UN documents.

4. Therefore, we, as victims of the Hanoi Vietnamese enemy aggressors and race exterminators, have every right to defend and safeguard ourselves, our nation, and our people without any illusions.

   For this reason, the DKNA High Command has decided that the entire DKNA on all battlefields, all divisions, and all independent regiments should continue to be highly vigilant and continue to actively and constantly fight the Vietnamese enemy and puppets through our guerrilla war and people's war until the UN documents are accepted and implemented by the Vietnamese enemy and puppets.

5. We fight and attack the Vietnamese enemy and puppets to end Vietnam's war of aggression in Cambodia based fully on the UN documents.

[Dated] 6 June 1991
[Signed] The DKNA High Command

Indonesia

Minister on Meeting With PRC Trade Officials

BK0606151791 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 6 Jun 91

[Text] There are encouraging prospects for Indonesian-PRC trade relations, considering that the two countries have equally great market potential for a variety of their commodities.

Speaking to newsmen following his meeting with PRC trade officials at Wisma Negara [State Guest House] this afternoon, Junior Minister for Trade Sudrajat Jiwandono disclosed their main points of discussion.

[Begin Jiwandono recording] In fact, we discussed a draft agreement on preventing double taxation. We have yet to decide on finalizing this agreement because both sides are still studying the matter. In addition, we discussed an agreement on investment promotion and protection. They want such protection and promotion. So do we. We must follow this up. They also brought up other issues. They explained their experience in economy and trade, and pointed out ways to promote economic and trade relations. [end recording]

Minister Sudrajat Jiwandono called on the PRC to show good intentions indispensable for the successful development of bilateral trade relations. Meanwhile, the PRC also hopes existing obstacles can be overcome in the best possible way.

According to the minister, the total volume of Indonesian-PRC trade in 1990 reached between $1.2 and $1.7 billion.

India Offers Support for Nonaligned Presidency

BK0606145591 Jakarta ANTARA in English 1123 GMT 6 Jun 91

[Text] Jakarta June 5 (ANTARA)—The Government of India supports Indonesia for the presidency of the Non-Aligned Movement (NAM) at the next summit meeting of the movement, Indian ambassador to Indonesia Ranjit Singh Kalha said here Wednesday.

Before delivering a speech at a discussion on democracy in India organized by the Indonesian Journalists Association (PWI), he stated Indian stance on the next NAM's summit.

India occupied the presidency in the Nonaligned Movement before the post was occupied by Yugoslavia.

At the next summit, there will be two countries nominated for the NAM's presidency, namely Indonesia and Nicaragua.

Both Indonesia and Nicaragua have not withdrawn their nominations for the position. Therefore, the occupation of the post for the next term of office will be decided at the summit to be held in Ghana in September 1991.

Speaking about democracy in his country after the death of former prime minister Rajiv Gandhi, the ambassador said there will no big impact on the running [of] democracy.

According to the ambassador, the democracy system in India will not be obstructed by the death of Rajiv on May 21. "Democracy is the fit system for the Indian people," he said.

"There is no other choice for Indian people as democracy is the only system which can live in India," He stressed

According to him, it is nature in the process of maturity that there are some victims, but, according to him, the system itself is not wrong. The man who runs the system can make the system good or bad.

But he denied the general view that the Indian people have not been ready yet to implement democracy.

East Timor Speaker on Human Rights Violations

BK0706090791 Jakarta THE JAKARTA POST in English 31 May 91 p 11

[Text] Dili (JP)—The speaker of the East Timor Legislative Council (DPDR) says there is no violation of human rights in East Timor but he warns that unequal job opportunities can threaten social integrity.

Guilhermo Dos Santos dismissed as baseless recent press reports in Portugal and illicitly distributed in East Timor that "200,000 people in the province have been killed since Indonesia annexed East Timor 15 years ago."

"I believe the news was invented by East Timorese in exile frustrated by their immense hardship to discredit the Indonesian Government," he told THE JAKARTA POST early this week.

Guilhermo showed the POST two Portuguese-language articles published on March 21 and April 9, 1991, which accuse the Indonesian Government of human rights violations in the former Portuguese colony.

One of the articles also claimed that "200 countries all over the world and the United Nations have agreed to petition Indonesia to get out of East Timor."

He said a civil war in East Timor before it was integrated with Indonesia in 1976 did claim lives, but it was a lie to say that Indonesian security forces had killed innocent civilians.

People in East Timor should not be fooled by such misleading articles distributed secretly in the area. "The province has made tremendous progress since its integration with Indonesia," he said.

Guilhermo, however, cautioned that the economic progress in East Timor had also created "social jealousy" problems as employers were reluctant to recruit local people because they were generally less skilled than those from other provinces.

"Many contractors recruit their workers from outside East Timor and leave local youths unemployed. This worries me," he said.

He said that some offices shut their doors to local job seekers. He said East Timor needed more personnel with college degrees, but not graduates of high schools.

Guilhermo also condemned the sale of state-sponsored lottery, SDSB, tickets in the province because people seemed to spend more time predicting the next winning numbers than doing their jobs.

The sale of lottery tickets had reached villages, making employees, including those in government offices, less productive. "We may suffer a setback if the sale of SDSB tickets continues," he said.

Guilhermo said the tickets were supplied from neighboring Kupang because the East Timor provincial administration has banned the lottery.

The governor should crack down on the sale of SDSB tickets, he said.

Laos

Spokesman Discusses Jakarta Meeting on Cambodia

BK0706030491 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 7 Jun 91

[Text] Yesterday in Vientiane Capital, Vangheuang Vongvichit, spokesman of the Ministry of Foreign Affairs of the Lao People's Democratic Republic [LPDR], gave an interview to KHAOSAN PATHET LAO on an agreement reached in Jakarta on some internal issues of the Supreme National Council [SNC] of Cambodia.

He said: As you may already know, the conference on the Cambodian issue was convened in Jakarta, Indonesia, between 2 and 4 June. During the conference, Hun Sen, chairman of the Council of Ministers of the State of Cambodia, and Prince Norodom Sihanouk unanimously agreed on the enlargement of the SNC by increasing the number of members to 14 with Prince Norodom Sihanouk as chairman and Hen Sen as vice chairman. They also consulted and agreed on extending the cease-fire in Cambodia until a peace treaty is reached.

The agreement reached by the two personalities reflected their efforts to achieve national concord for Cambodia. It can also become a basis for reaching an overall poltical settlement on the Cambodian problem in accordance with the reality in that country.

Vangheuang Vongvichit stressed: even though the Jakarta conference of the SNC was apparently fruitless because the Khmer Rouge leadership tried to block its progress and did not approve of the enlargement of the SNC and the extension of the cease-fire in Cambodia, I am of the view that the agreement constitutes a realistic basis which will allow the two sides to move closer to each other.

The spokesman of the LPDR Foreign Affairs Ministry concluded: The Lao Government and people always hope that the Cambodian problem will be rapidly resolved through political means. We believe that the agreement reached by Prince Norodom Sihanouk and Hun Sen will become a firm step for the two sides to reach an overall political settlement of the problem on the basis of the respect for each other's independence and soverignty and the right to self-determination of the Cambodian people and the abiding by of the UN Charters.

Phoun Sipaseut Receives SRV Consul General

BK0606131991 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 5 Jun 91

[Text] Phoun Sipaseut, vice chairman of the Council of Ministers and foreign minister, received credentials from (Le Son Hoa), newly appointed Vietnamese consul general to Savannakhet Province, this morning. During the meeting the foreign minister welcomed Le Son Hoa, whose mission will help increase economic and cultural cooperation and further strengthen traditional good relations between Laos and Vietnam.

At present there are two Vietnamese consulates general in Laos—in Savannakhet and Champassak Provinces.

Philippines

Interview With Congressmen on Bases Terms

HK0706110191 Manila Manila Broadcasting Company DZRH in Tagalog 0030 GMT 6 Jun 91

[Interview with Congressmen Miguel Romero and Edcel Lagman by Joe Taruc in studio on "Liberty in Action" program—live; italicized portions in English]

[Excerpt] [Passage omitted] [Taruc] What is your position regarding the bases, Congressman Romero?

[Romero] You know, Joe, since 1987 I have made about five privilege speeches in Congress about the phase-out of the bases. *I have always been in favor of phaseout, five to seven years. However, phaseout also means that the compensation package should include the retirement or the full payment of $29 billion.* How is that? The proposals I've made are the following: Whatever the Americans can give, let's say $400 million, will be used to buy back our debt. *This is the so-called debt equity buy-back. Let's say at 40 centavos to $1.* If we have 40 centavos, it can buy $1. So if we have $400 million which, hopefully, would be given to us by the Americans, this can buy back $1 billion worth of debts.

Second, the compensation package should not be that alone. There is this so-called U.S. open trade arrangement with us. What is that? That is the increased sugar quota. Our sugar quota was almost $300 million last year. We are asking for at least a 30 percent increase. Another thing, and most important, is to have our garment textile export quota increased by three times. Last year, our garment textiles gave us $995 million income. But this, Joe, is only 4.7 percent of the U.S. market. What we are asking is that which was asked by the Department of Trade and Industry, which is to triple our textile export to 300 percent, or $3 billion. In that way, Joe, what can be obtained from the Philippines would be an average of about $3 billion, and of the expected income of let's say $3 billion, at least $1 billion can buy debt papers. So it's double; $2 billion plus $1 billion in the cash portion, so $3 billion. This $3 billion should be used to pay our debts. If we pay our debts this way, even in 10 years we won't have debts. *That is the only way I would agree to a phaseout of the bases, because in that manner we can pay our foreign debts.*

[Taruc] Thank you very much. Well, how about Congressman Edcel Lagman, what is your position regarding the U.S. bases issue? You know the bases talks have been centered on the duration and compensation issues. May we know your position about this, Congressman Lagman.

[Lagman] *You know, Joe, even when I was still in UP [University of the Philippines] in the early sixties, I have already been an advocate of 'no U.S. bases' and I have not changed my position up to now. But you know, we have to be realistic. In this country, what the Americans want, the Americans get because the Philippine officials have connived with the Americans.* Look what is happening. The Americans are already defeating us on our expertise in bargaining. The Americans are now better at bargaining.

They even want us to reduce the already meager amount we are asking for. On Mike's position, of an extension on a phaseout basis—five to seven years, then linking it to the debt problem and more garment export—let me discuss this one by one. About the phaseout, my belief is that any phaseout is a phase-in. What does that mean? The period is being extended little by little, but the Americans would also push our officials for more extensions. Now, it's five years, then seven years, another seven years, another five years. Wouldn't that be interpretative? *So any phaseout would be a phase-in, because as long as the Americans need the U.S. bases, they will stay no matter what the cost.* Second, about the debt problem, that would have been okay, because I am the principal sponsor in the house of the 15 percent debt cap bill, which I intend to amend to make it 10 because the 15 percent is not realistic. Now, the 20 percent debt cap of the Senate has become meaningless. Because if they peg that payment to 20 percent of our foreign exchange receipts, we will pay more than the projected payments for 1991. So it's meaningless. We are talking about the veto and the overriding of the veto. These are meaningless exercises in futility. Why should it be vetoed when the 20 percent is giving more than what we are supposed to pay? Just in case the president vetoes it, why do we have to override a meaningless veto? But you know, what is happening now is, how can we get debt relief from the Americans, $28 billion loans. In fact now, we are only talking of a $40-million debt relief. *That is a very minimal portion of our foreign debt. I don't think we'd be able to achieve that. [sentence as heard] For interest alone, it is not even enough. On garment exports, we know that the garment export does not help the economy or, if ever, it is a very small portion because the net revenue we get from the garment export is very small because the component here is imported materials.* We export these, but our income is minimal. Volume-wise it is big, but profit-wise it is little because the component is basically imported materials.

[Taruc] Let us allow Congressman Romero to comment on the contention of Congressman Lagman about the five to seven years phaseout which he said is actually a phase-in.

[Romero] That is the reason why I said that the compensation package should not only be the $825 million. The $825 million sought by Secretary Manglapus is not acceptable to the Philippine Government. *As a matter of fact, although I have always been in favor of, now, seven years phaseout, subject to the retirement of $29 billion, however, the $825 million package of the Philippine panel does not deserve the support of the Senate; does not deserve the support of the Filipino people.* Why? Our debt service alone from 1986 to 1990 averages $3 billion per annum; $2 billion in loan interests and $1 billion principal. How can we pay our principal and interests when our income is just $825 million, of which the cash component is only $400 million? *In short, unless it is the way I had it presented, that the compensation package should include the exports on garments and other products, increasing garments by 300 percent, we will not agree. On the explanation that it will not earn anything, I know it will. Why? If you go up 300 percent, definitely the Philippine manufacturers will tie up with Taiwanese manufacturers of equipments. These equipments would be brought to the Philippines to be able to manufacture the raw materials that we need and, therefore, we would be able to be exporting (?net) and you will be averaging export earnings of 70 to 80 percent in the same way that Indonesia is earning so much from its garment export because they manufacture raw materials. We can only do this if we triple our garment export by 300 percent. We can do this because one [as heard], our export of garments to the U.S. is only 4.7 percent of the U.S. market, while China has 12 percent garment export and South Korea, Taiwan, Hong Kong has an average of 10 to 8 percent. So, in other words we are able to triple our export and Japan and Taiwan have very low fill rates, which means they have a quota which they are unable to fill. So, we can say that in view of the phaseout of the bases, Taiwan's unused quota should be shifted to the Philippines so that we can triple our garment export. This way, we are able to manufacture the raw materials here and we will be able to still get a net of $1 billion from the export of garments. These are the figures presented to us by the Department of Trade and Industry.*

Officials on North American Free Trade Zone

HK0706100891 Hong Kong AFP in English 0940 GMT 7 June 91

[Text] Manila, June 7 (AFP)—The Philippines is concerned over a looming North American free trade zone and has tried without success to use the ongoing U.S. bases talks to wrest trade concessions from Washington, Filipino officials said Friday.

"There will be some repercussions and some of them will be bad," said Reginald Velasco, an American affairs specialist at the Philippine foreign department.

He told a government-sponsored seminar that a free trade arrangement with Mexico being negotiated by U.S. President George Bush, following a similar agreement with Canada in 1988, "would adversely affect Philippine industries."

Manila's two-way trade with Washington totals five billion dollars a year and comprises one-fourth of the Philippines' total foreign trade.

Duty-free entry to the United States for goods produced by Mexico, whose output except for its oil is similar to that of the Philippines, would result in a disadvantage to major Philippine exports like garments and light manufactured goods, Mr. Velasco said.

He said Manila feared "we could lose some potential American investments" due to the additional duty-free incentives that would be given "maquiladoras," the joint venture factories on Mexico's northern border which take advantage of cheaper Mexican labor and raw materials.

He said it was difficult to quantify potential Philippine losses at this moment. Cumulative U.S. investment in this former American colony totals 1.79 billion dollars, or 55 per cent of the total foreign investment in the country, he added.

The foreign department's Canada specialist, Reynaldo Martinez, said Manila was in the process of identifying Philippine products which would be affected by the trade agreement, such as garments, shoes, fashion accessories, computer software and microchips.

Philippine government negotiator Raul Rabe told the forum that Manila tried to get comparative concessions for its exports of garments and sugar during its talks with Washington over a new military bases agreement.

"But the Americans have been very adamant in their protestations that if this trade access were to be incorporated, quantified in the treaty, that this may encourage the protectionist sectors in the U.S. Congress into opposing the treaty," he said.

The two countries have so far failed to ink a new agreement on Clark Air Base and Subic Naval Base due to disagreement over the length of the new treaty and compensation levels for Manila.

Cabinet Adopts New Middle East Policy

HK0706035891 Manila THE CHRONICLE in English 7 Jun 91 p 1

[By Lito Zulueta]

[Text] The cabinet has adopted a Middle East policy that takes advantages of the opportunities created by the conclusion of the war in the Persian Gulf, Press Secretary Tomas Gomez III said yesterday.

The policy draws an aggressive program that includes the dispatch of trade and investment missions to Tehran and Istanbul and the forging of bilateral trade agreements with nations in the region.

According to the Middle East policy, mainly drawn up by the foreign office, the Philippine policy toward the region is moored on oil, overseas contract workers and the Muslim secessionist problem in Mindanao.

The policy has been criticized by Sen. Leticia Shahani, chairman of the Senate foreign relations committee, who maintains that a full-bodied foreign policy could not be anchored on the vagaries of the overseas manpower market.

According to a cabinet paper, since the country's Middle East policy had been successfully accomplished over the last decade, the Philippines should take advantage of the opportunities created by the Gulf war, especially in the areas of trade, socio-cultural exchange, and political and security affairs.

The paper said 91% of the Philippines' total trade with the region is in oil and oil products, with a trade deficit of $1.3 billion in 1990 (except for trade with United Arab Emirates, wherein the Philippines enjoys an $18 million surplus).

Consumer manufacturers, food, food preparations, industrial manufactures constitute the country's exports to the Middle East.

To fully take advantage of opportunities, the Cabinet resolved:

—To create a task force composed of the foreign office, trade and industry department, Department of Labor and Employment, Office of Energy Affairs, National Economic and Development Authority and the Office of the President that will oversee the implementation of the postwar policy.

—Activate the national strategy formulated by the Cluster E Cabinet committee on security that will highlight the government's efforts to solve the Muslim problem in Mindanao.

—To develop and deploy a skilled corps of Middle East specialists to the region.

—To organize and deploy high-powered trade and investment missions to Istanbul, Turkey and Tehran, Iran.

—To expedite the forging of bilateral trade accords with Middle East countries.

—To assign dynamic and creative trade representatives to Middle East countries.

—To continue to diversify Philippine indigenous sources of oil.

—To firm up bilateral labor agreements with Middle East governments, especially to improve working conditions of Filipino workers.

—Upgrade systems to regulate recruitment agencies for Middle East job markets.

Congress Approves 1991 Appropriations Act

HK0706034591 Manila THE CHRONICLE in English 7 Jun 91 p 3

[By staff member Redempto Anda]

[Text] Congress approved yesterday the 1991 general appropriations act amounting to P [peso] 140.7 billion.

In approving the budget, Congress decided to cut Malacanang's proposal of P132.4 billion by over P27 billion but added a new appropriation of P7.5 billion for additional allowance of government personnel under an approved bill called Personnel Economic Relief Allowance. The allowance will be retroactive to Jan. 1, 1991.

On top of these amounts are P11.7 billion in continuing appropriations, and P127.4 billion in automatic appropriations.

Congress approves the new and supplemental appropriations but has no control over continuing and automatic appropriations, which include P122.8 billion for domestic and foreign debt service.

The budget also included a provision limiting the amount to be used to service the country's foreign debt to not more than 20% of export receipts of 1989 or an equivalent ceiling of P46 billion.

President Aquino may veto the debt-cap provision if it will disturb the country's credit standing abroad. Lawmakers do not have the vote to override it.

It was put there, nonetheless, Sen. Neptali Gonzales said, to signal to the Executive Branch "that we are not satisfied with the way our debt problem is being handled...and we feel that this is the way" to assure the country's survival.

Rep. Rolando Andaya chairman of the budget conference committee explained that the debt cap does not mean that the government will reduce the amount it is supposed to spend for debt servicing.

According to the Bureau of Treasury, the government will spend P39.3 billion for foreign debt servicing this year, which is still way below the P46-billion ceiling approved by the conference committee.

Since the actual amount to be spent for debt servicing was not touched by Congress, Andaya said "Malacanang will not have any problem" that will prompt President Aquino to veto the provision.

He further explained that the ceiling was simply intended to "put an absolute amount" as a limit to debt servicing in case the rate of inflation and foreign exchange fluctuations increase the appropriated amount for debt servicing.

Including the servicing of the government's domestic debt, the debt service fund will amount to P122.8 billion. Because of inflation and foreign exchange fluctuations, this amount had actually increased from P105 billion when Malacanang submitted its proposed budget in January this year.

The conference committee also decided to include a provision providing for a five-point restriction on the use of government funds. This was a proposal introduced by opposition Sen. Juan Ponce Enrile.

The restrictions cover:

—Purchase of motor vehicles, except medical ambulances, military and police patrol vehicles and those used for mass transport.

—Foreign travel expenses of any government official except in the country.

—Providing of fuel and maintenance services to vehicle not marked "for official use only" and not bearing the name of the government agency except official vehicles assigned to key government officials.

Bicameral Committeee on Local Government Code

HK0606150491 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 6 Jun 91

[Italicized portion in English]

[Text] The bicameral Conference Committee has approved the local government code. This was disclosed by Senator Aquilino Nene Pimentel Jr.

In an interview with Deo Macalma, Senator Pimentel explained that the resolution entitles each barangay to receive a minimum of 80,000 pesos per annum apart from the 1,000 pesos per month for each barangay captain and 600 pesos per month for each councillor.

It was also discovered from the senator that this will be forwarded to the lower house for ratification and will be effective from 1 January 1992.

[Begin Pimentel recording] All barangays will have a guaranteed income *of at least 80,000 pesos per annum.* This, Deo, is a big thing because there are small barangays which currently receive only one thousand per annum. So this action of the senate by which the smallest barangay will receive 80,000 per annum will, I think, be very much welcomed by our barangay officials. [end recording]

Senate Leader Cites Congress Achievements

HK0706055091 Manila MANILA BULLETIN in English 7 Jun 91 p 1

[By Olaf S. Giron]

[Text] Senate Majority Leader Teofisto Guingona Jr., on the eve of Congress' adjournment, said the upper chamber passed 45 Senate and 200 House bills during the fourth regular session between July 24, 1990 and June 4, 1991.

Among the 45 Senate bills, 10 were signed by the President into law, among them, Republic Act [RA] 6971 or the labor productivity and incentives act; Ra 6963 which grants special compensation to the families of police, military personnel or firemen killed or incapacitated in the performance of duty; RA 6969 which establishes the Philippines as a nuclear-free zone; RA 6872 which provides child care centers in barangays; RA 6978 which is the Accelerated Irrigation Program; RA 6975 which promotes small enterprises and establishes credit and guarantee corporations; RA 6981 which is the Witness Protection Act; Ra 6982 or the Sugar Industry Act; and RA 6968 or the Coup d'Etat bill.

Sen. Mamintal Tamano's measure establishing the Business Information and Research Assistance Center of the Philippines was the lone Senate bill vetoed by President Aquino.

Seven Senate bills are pending approval by the President, 10 are pending in the conference committee and 17 are still pending in the lower chamber.

Meanwhile, Sen. Agapito "Butz" Aquino, chairman of the Senate committee on public information and mass media, called yesterday for the immediate passage of a bill creating the People's Television Network [PTV].

Senate Bill No. 1811 seeks to grant PTV-4 its official charter to operate nationwide as the government television network.

In a sponsorship speech at the Senate, Aquino justified the measure, saying that "PTV-4 is in official limbo—without a clear mandate, without a corporate identity, without a well-defined policy, and without the necessary government funding."

Aquino gave assurance that PTV-4 will not be a propaganda tool of the government, nor is it going to be a mouthpiece of whoever is in power.

Development Board Approves Relending Program

HK0706052491 Manila PHILIPPINES NEWSDAY in English 7 Jun 91 p 8

[By Dionision Tubianosa]

[Text] The National Economic and Development Authority [NEDA] board, chaired by President Aquino, yesterday approved a $100-million relending program to finance private small and medium industries in the country.

NEDA Director General Cayetano Paderanga Jr., in his report to the board, said the Development Bank of the Philippines [DBP] proposed to borrow $100 million from the Asian Development Bank for relending to the private sector of finance the modernization, expansion and upgrading of existing, or the establishment of new, production facilities.

In approving the proposed loan, the NEDA board supported the recommendation of Paderanga to expand the specific industrial subsectors targeted to include high-growth potential industries.

The board suggested that priority be given region-based projects in line with the countryside development objectives of the government.

Those considered high-growth potential industries include: coco-chemicals, metals and metal products, nonmetallic mineral-based products, gold mining, automotive parts and components, build-operate-transfer (BOT) construction firms, telecommunications, and energy conservation projects.

The board also approved the expansion of the list of small and medium industries (SMIs) to include cement, paper and paper products, petrochemicals, sugar, textiles, wearing apparel (except footwear), leather and leather products, electrical equipment and appliances, glass products, nonferrous metals and China and earthenware.

To expand the scope of the relending program, enterprises with assets up to the equivalent of 12 million will also be eligible for financing.

The DBP will relend the proceeds of the loans to private financial institutions at market-based, fixed or variable rates set semi-annually, based on its cost of funds. The NEDA board in a memorandum stated, adding that the the government will guarantee the loan and assume the foreign exchange risk.

Paderanga pointed out that the DBP would pay to the government foreign exchange risk cover and repayment guarantee fees on the amounts of the loan utilized.

The private financial institutions, on the other hand, may finance subprojects either by making subloans or funding financial leases of equipment from the loan proceeds. The maximum amount of a subloan is $8 million.

One of the important criteria for subproject financing is compliance with the environmetal regulations of the government.

Aquino Rules Out Oil Price Cut

HK0706035291 Manila THE CHRONICLE in English 7 Jun 91 p 1

[By staff member Lito Zulueta with Joey Caburnida]

[Text] President Aquino said yesterday petroleum prices would not be reduced until the deficit of the Oil Price Stabilization Fund [OPSF] had been wiped out, as prescribed in the country's standby arrangement with the International Monetary Fund.

"As we have consistently maintained, the OPSF must be collected until the deficit is wiped out," the President said in a statement read by Press Secretary Tomas Gomez III. "Doing otherwise will not redound to the long-term interests of the country and its people."

The statement came on the heels of a warning by Central Bank Gov. Jose Cuisia that the IMF would suspend its economic stabilization program with the government and seek immediate payment of $438 million disbursed so far under it if Manila cuts fuel prices before the OPSF deficit has been wiped out.

The suspension of the program, according to Cuisia, will also mean that Manila has to give up the balance of 4228 million due from IMF. Moreover, the country will lose the IMF's seal of good housekeeping that foreign creditors look to before lending to the Philippines.

The OPSF deficit stands at P [pesos] 10.6 billion, Various estimates invariably show that the deficit will be covered by August or September.

In addition to wiping out the deficit, the government has also enunciated a policy of building a convenient buffer for the OPSF—about P6 billion—to prepare it for wild price fluctuations of crude oil on the world market.

But last Sunday, the President said she had ordered Finance Secretary Jesus Estanislao to study means to reduce petroleum prices, a virtual rebuff of the finance chief who had said oil prices would not be rolled back until the end of Mrs Aquino's term so that the government could raise P38 billion as peso counterpart fund for foreign-assisted projects.

The President, however, said the government could afford only a reduction, not a rollback, as demanded by labor and other sectors. Mrs Aquino indicated that the reduction could be achieved by narrowing the gap between the high prices of gasoline and the relatively low price of diesel.

The Energy Regulatory Board [ERB] the quasi-judicial body that rules on petitions for oil price rises or rollbacks, is in fact considering lowering the pump price of premium gasoline, according to acting ERB chairman Rex Tantiongco.

The ERB chief said that ideally, diesel prices should be 73% of gasoline prices. Since a liter of premium gasoline now costs P15.95 per liter, prospects compared with diesel's P7.75 are that gasoline prices will be reduced to P10.33.

Meanwhile, Caltex Philippines, one of the country's largest oil companies, yesterday opposed the growing clamor for a rollback of oil prices.

It instead proposed a deferment of price cuts until October, when a P3 billion buffer fund for the Oil Price Stabilization Fund (OPSF) is supposed to have been raised.

Caltex President Francis Ablan told a press conference yesterday that the "ideal situation" to take in order to avoid the "economic risks" from an immediate rollback of prices is to wipe out the OPSF deficit in mid-August, then to provide a P3 billion OPSF buffer fund by the end of September.

With the buffer fund in place, the government could already effect the price rollback, Ablan said.

"A premature rollback of oil prices will put into question our political will to carry out the economic reform programs we have set out to accomplish and give the wrong signal to our investors," he warned.

He also said that prices of other items would not automatically go down even if the rollback is immediately carried out.

Column Warns on Confirmation of Abadia, Others

HK0706052691 Manila PHILIPPINES NEWSDAY in English 7 Jun 91 p 10

[From the "Turn of Events" column by Francisco S. Tatad: "A Sham To End All Shams"]

[Text] After hesitating for a while, the Commission on Appointments [CA] finally confirmed the controversial appointments of General Lisandro Abadia as Armed Forces Chief of Staff, his brother Major General Loven Abadia as Air Force commanding general, Major General Arturo Enrile as Army commanding general, the Christian Monsod as Comelec [Commission on Elections] chairman. This could yet prove to be the most destabilizing move from the Commission.

The Abadia brothers and the new Army chief are good soldiers. They are a credit to their profession. But the fact that their appointment had been opposed in the ranks and across the nation on the ground that they bypassed so many who were their seniors leaves a scar that will not easily heal.

Can they—individually or together—succeed in curing the divisions that began at the height of Marcos's rule and finally erupted into the 1986 civlian-backed EDSA [Epifanio Delos Santos Avenue] uprising? Can we expect them to behave as real professionals who would be able to say no to the political leaders who had chosen them, or should we give them up as unquestioning servitors to the appointing power? Will their appointment strengthen the soldier's pride in his profession and his bond with his peers, or will it simply fuel the anger and discontent that have already sucked so many of the best and brightest of our young officers into the military underground? Will it not strengthen the resolve of these rebellious officers and their counterparts on the Left to press on with their rebellion? Among plain and innocent citizens, will it increase or diminish their faith in the 1992 elections?

The same questions asked of the new military commanders must be asked of the new chairman of the Commission on Elections. Monsod's appointment has been opposed on moral grounds. He was the constitutional commissioner that authored the provision permanently depriving the opposition of the right to be represented in the board of registration, board of inspectors and board of canvassers. This laid the ground for the Aquino administration's political control, as first tested in the 1987 senatorial elections. He was also chairman of Namfrel [National Movement for Free Elections] during those elections in which all but two of the candidates of Grand Alliance for Democracy were trounced and the winning administration candidates got votes of more than 100 percent of all registered voters in some regions at certain stages of the Namfrel count.

Monsod's appointment has also been attacked on legal grounds. Lawyer Rene Cayetano, a former legal partner of Senator Juan Ponce Enrile, had tried to block it on the ground that Monsod lacked ten years of active law practice as required by the Constitution. Indeed, he had spent most of his professional life running businesses with varying results instead of lawyering; many who have known him for years had never suspected he was a lawyer. That's how active a lawyer he has been. But he apparently had more success than Cayetano in defining for the CA what active legal practice means. It does not require going to court or belonging to a law office, he says; enough that one uses one's knowledge of law in addressing certain questions.

Cayetano has asked the Supreme Court to stop Monsod's appointment, and the issue now rests there. Our respect for the Court does not allow us to speculate on how it will rule, but our concern for our democratic processes obliges us to say that any error on the part of the Court could totally disturb the political order. Even without an Aquino political tool occupying the top Comelec post, the chances of holding clean, honest, peaceful, orderly, free, fair and intelligent elections are not very encouraging—given Monsod's original mischief which has deprived the opposition of the right to be represented in the board of registration, board of inspectors and board of canvassers. With him fully in charge of Comelec, any residual chance disappears.

After Monsod's chairmanship, Namfrel's accreditation as the citizen's electoral arm becomes a matter of time. Despite is partiality and bias in the 1986 elections, and its being party to unprecedented manipulation of the votes in the 1987 elections, Namfrel could end up being accredited by Monsod, so that it could function as his second arm in implementing the regime's grand design. Whereas Namfrel, which first existed in the 50s, was recreated in 1984 to provide some form of check and balance to the Comelec which the anti-Marcos opposition could not trust, its accreditation this time would remove that check and balance and fuse the two bodies together so that they may now vouch for each other.

Nor is this all. In a display of unmitigated contempt for the sensibility of the people, the political leadership is set to endow every congressman with a pork barrel of P [pesos]

49.8 million for purposes of the election. It is an undisguised way of corrupting the already corrupt congressmen and the corruptible voters. By fattening the congressmen's kitty, Speaker Ramon Mitra Jr. hopes to be finally chosen as the LDP [Struggle of Philippine Democrats] standard-bearer. That is to say, if Mrs. Aquino does not run.

But this is not the only money going around. Since 1986, the regime has lost no time in raising a war chest from every possible source. Thus we have the PCGG [Presidential Commission on Gord Government], the Pagcor [Philippine Amusement and Gaming Corporation], the small town lottery, jueteng [Number racket], illegal logging, the barter trade, the syndicate at the pier, all forms of smuggling, all sorts of multi-million government contracts intended to rip off the state and benefit a few privileged powerholders.

In addition to so much money for bending the morality of individuals, the administration has nearly full control of the most powerful media for bending the mind. At least a couple of the country's largest selling newspapers are obsequious servitors to the ruling dynasty and manage to be neutral on its most outrageous crimes. Most of the TV channels are PCGG-controlled, radio is subject to intimidation by the agency that authorizes its operation. There seems to be an unwritten rule that only the most harmless views are to be broadcast from the opposition.

Ranged against this network of naked and quetionable power is the innocent, almost dream-like, desire of some members of the opposition to take part in the 1992 elections without regard of the conditions and the rules, just for the sake of taking part in the elections. Well, with Monsod at the Comelec and the AFP [Armed Forces of the Philippines] and the police commanded by generals who owe everything they have to the regime, the whole exercise is going to be a sham to end all shams.

The sooner the opposition and the rest of the nation wake up to this reality the better.

Abadia Issues Terminal Leave Order for Aguirre

HK0606100091 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 6 Jun 91

[By Dick Sinchongco from Malacanang]

[Text] Major General Alexander Aguirre, who resigned as the deputy chief of staff of the Armed Forces of the Philippines [AFP] by way of an indefinite leave of absence, has been totally removed from the service. This was announced by AFP chief General Lisandro Abadia after taking his oath of office in front of President Cory Aquino in Malacanang. Abadia said he was instructed by the Department of National Defense to issue the terminal leave order for Aguirre. In view of this, Abadia said Aguirre will be totally removed from the service when his 454 days leave is consumed.

When Aguirre went on leave, he said that he will only return to the service when Aquino is no longer president. Aguirre has been protesting against the appointment of Abadia as Armed Forces chief of staff by President Aquino, saying he and other senior military officers were bypassed in the promotion. According to Abadia, Aguirre is aware of the termination as they had already shown the order to Aguirre.

Aguirre's Comments

HK0606130891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 6 Jun 91

[Interview with General Alexander Aguirre by field reporter Fernan Imberga of DZRH Unit No. 22 and anchorman Joe Taruc; place and date not given—live or recorded; italicized portions in English]

[Text] [Imberga] Good afternoon General Aguirre. What can you say about the confirmation of General Abadia?

[Aguirre] The Commission on Appointments is *the proper institution that should take the final action on this kind of appointment, so* we should respect and obey that decision. *We just hope for the best for the armed forces and also to the new chief of staff.*

[Imberga] Okay. General, my colleague Joe has additional questions for you. Okay, Joe.

[Joe] General Aguirre, good afternoon. I'm sure the statement by General Abadia dismissing you from your position has come to your attention already. He said he is only waiting for you to consume your approved leave before terminating your service in the Armed Forces. May we know your reaction to this.

[Aguirre] I don't think that is true. May I clarify.

[Joe] Yes please.

[Aguirre] I am not being dismissed from my position. On the contrary, I already left on 8 April and my resignation from my position was approved on 8 April 1991. I am on leave at present and my leave is also approved. I cannot be dismissed because you know dismissal is *separation only for cause* and there was no cause. I was not court martialled. An officer can not be dismissed just like that because that is against the law.

[Joe] In other words, after your indefinite leave of absence, you would return to the Armed Forces of the Philippines?

[Imberga] I'll have to see what the situation would be. It is my right to return or not to return because I am *under the status of having the liberty to take optional retirement.* Because you know, I would still be retirable [as heard] in 1995. As a matter of fact, General Abadia will *retire compulsorily* ahead of me. I can wait until 1995 but we will see what the situation would be.

[Joe] So, the statement that your accrued leave of over 400 days is true.

[Aguirre] Yes. That was approved. You know, for 34 years I accumulated over 500 days leave.

[Joe] Thank you very much General Aguirre. So, you have resigned since 8 April.

[Aguirre] Yes. I have sent a commentary to you thanking the Commission on Appointments for giving me the chance for speak out on the *important issue of military professionalism and on the constitutional mandate that the Armed Forces be insulated from partisan politics. Members of the commission accepted the validity of my proposed reform bill to systematize the selection process for certain key positions in the Armed Forces.* So, I am happy and I will support the reforms in the Armed Forces although I am on leave.

Ramos Doubles Hardship Allowance for Soldiers

HK0706054491 Manila MANILA BULLETIN in English 7 Jun 91 p 8

[By Aris R. Ilagan]

[Text] Defense Secretary Fidel V. Ramos approved yesterday a 100 percent increase in the hardship allowance of soldiers assigned to far areas in an effort to provide better living conditions despite the "inadequate" facilities available to them.

Under a new Armed Forces (AFP) [Armed Forces of the Philippines] General Headquarters Circular, the monthly "hardship" allowance of soldiers is P [pesos] 400 for officers and P300 for enlisted personnel.

But Ramos said soldiers assigned to depressed areas could only receive such allowances if:

1. They are assigned to camps with inaccessible means of military or civilian transportation.
2. Facilities for billeting, messing, recreation, medical service, light and water, mail and telegraph, inside the camp are considered inadequate with no barrio located within a radius of 200 kilometers.

If only the first condition is applicable, an officer will get P240, while enlisted men, P200. If the second only applies, the allowance is reduced to P160 and P100, respectively.

Thailand

Minister Meets Richard Solomon in Luxembourg

BK0706105591 Bangkok Voice of Free Asia in Thai 1030 GMT 6 Jun 91

[Text] Foreign Minister Asa Sarasin, who was in Luxembourg to attend the ninth ASEAN-EC ministerial meeting, had a chance to meet with Richard Solomon, U.S. assistant secretary of state for Asia and Pacific Affairs. The two exchanged views on several topics. Richard Solomon expressed satisfaction and confidence in the work pursued by the Thai Government toward achieving democracy for the country.

On Cambodia, Foreign Minister Asa and Mr. Solomon discussed ways to encourage Vietnam to play a constructive role in solving the Cambodian problem and achieving peace and security for the region. On the Supreme National Council meeting in Jakarta, Richard Solomon viewed that, although there was not much progress made, the meeting could not be called a failure.

Foreign Minister Asa noted to Richard Solomon that Thailand attached importance to Laos and has set aside a budget for training and technical assistance to Laos. The U.S. official supports Thailand's move and said the United States will adjust itself with the policy adopted by Thailand. Foreign Minister Asa also reported to Solomon on the discussion concerning Burma made at the ninth ASEAN-EC ministerial meeting. Thailand explained to the session that, as a neighbor of Burma, it is necessary for Thailand to maintain good relations with the country. Thailand thinks that the best way to help Burma is to maintain cooperation with it, but not by boycotting or isolating Burma. Richard Solomon expressed his understanding in Thailand's policy.

General Chawalit Meets With Hun Sen in Bangkok

BK0606151391 Bangkok Army Television Channel 5 in Thai 1230 GMT 6 Jun 91

[Text] Prime Minister Hun Sen of the Phnom Penh regime called on General Chawalit Yongchaiyut, leader of the New Aspiration Party, late this morning. Hun Sen made a stopover in Bangkok on his way back home from attending the Supreme National Council meeting in Jakarta, Indonesia. Hun Sen reported to newsmen after the meeting that he called on Gen. Chawalit as a close friend and to report to him on the meeting in Jakarta. Hun Sen said he asked Gen. Chawalit to continue with his peace bid for the Cambodian people although he holds no political position in the present government. He said that Gen. Chawalit had been working for a Cambodian settlement when he was with the Army. Gen. Chawalit told newsmen that Hun Sen discussed with him a settlement of the Cambodian problem and no conclusion had been reached. Gen. Chawalit said he told Hun Sen to be patient in solving problems.

[Begin recording] [Unidentified correspondent, in progress] Will this lack of understanding cause other countries to lose interest in such a meeting?

[Chawalit] Yes, this is natural when it drags on like this. But we in Thailand and ASEAN, we cannot afford to be fed up with it because it is our duty. We cannot think that it is not our country. In fact, it is our neighbor and it is in our same region. [end recording]

Hun Sen Meets Prime Minister

BK0606144891 Hong Kong AFP in English 1440 GMT 6 Jun 91

[Text] Bangkok, June 6 (AFP)—Cambodian Prime Minister Hun Sen said Thursday his troops would fight back if attacked by Khmer Rouge forces following an announcement by the guerrilla faction that Cambodia's cease-fire had ended.

But he told reporters his Vietnam-installed government would keep the truce and not order its armed forces to go on the offensive.

"It's normal for an army to defend itself, but we have not issued an order for an offensive," he said.

Speaking after a meeting with Thai Prime Minister Anan Panyarachun, Mr. Hun Sen also said he was not worried by a possible increase in Cambodian resistance leader Prince Norodom Sihanouk's popularity when the former monarch visits Phnom Penh later this year.

Mr. Hun Sen said he wished the former king enjoyed "greater popularity in order to give peace to the people of Cambodia."

"I am not at all afraid of seeing Prince Sihanouk grow more popular," he said.

The prince, who is also here for consultations on the Cambodian peace process, had earlier announced he would travel to Phnom Penh in November for a two month visit at the invitation of Mr. Hun Sen.

The announcement by the prince, one of two non-communist allies of the Marxist Beijing-backed Khmer Rouge, and the decision by the powerful faction to abandon the May 1 cease-fire came after peace talks between the warring factions stalled in Jakarta this week.

But during the talks Prince Sihanouk and Mr. Hun Sen agreed to continue the truce and the leadership of Cambodia's Supreme National Council (SNC). The agreement was immediately rejected by the Khmer Rouge, which fears a change in alliances by the 68-year-old prince.

"It is normal for the Khmer Rouge to make such a threat. It should come as no surprise," Mr. Hun Sen said in reaction to the Khmer Rouge decision to resume fighting.

The Cambodian leader said Prince Sihanouk would be able to travel freely in Cambodia when he visits at the end of the year.

But he added: "I want to see international guarantees to provide him with security, so that he can trust us."

He did not elaborate.

Mr. Hun Sen said the prince's move was not to isolate the Khmer Rouge, Cambodia's former ruling group which was driven from power by a Vietnamese invasion 12 years ago.

"They isolate themselves," he said.

Hun Sen: Army Can Launch Counterattacks

BK0606003691 Hong Kong AFP in English 1858 GMT 5 Jun 91

[Excerpt] Bangkok, June 5 (AFP)—Cambodian Prime Minister Hun Sen on Wednesday accused the Khmer Rouge of launching an offensive in northwestern Cambodia and said his government's Armed Forces would fight back.

The premier told reporters at a Bangkok hotel after his arrival from Jakarta where peace talks ended in deadlock that Khmer Rouge guerrilla forces appeared to have geared up for the offensive earlier this week.

"They have been prepared for the fighting since a few days ago," he said in a bitter tone through an interpreter, wearing a grim expression.

The clandestine radio of the Chinese-backed Khmer Rouge, the most powerful faction in resistance coalition fighting Phnom Penh, claimed it had destroyed five Army tanks in fighting for control of the northwestern gem-mining area of Pailin.

Border sources confirmed that despite a month-old cease-fire in Cambodia, fighting broke out in Pailin late last month and intensified with heavy artillery exchanges over the past few days.

"Any activity at the Pailin area must have been started by the Khmer Rouge and not our Army," Mr. Hun Sen said.

"Our Army has been ordered to stay in position and not launch any military operations. But of course they also have orders not to allow their positions to be taken by the enemy. They should not allow their positions to be surrounded and their supply lines cut," he said.

"Our Army has the right to launch counter-attacks without receiving any further instructions," he added.

The Khmer Rouge has threatened to abandon the cease-fire if Phnom Penh did not fully accept a United Nations peace plan for Cambodia. Mr. Hun Sen's government insisted in Jakarta on major modifications to the U.N. blueprint.

"I would like to stress that we urged the Khmer Rouge to drop their ultimatum so that the cease-fire could continue," Mr. Hun Sen said.

The premier said representatives of U.N. Secretary-general Javier Perez de Cuellar and France and Indonesia, the two co-chairmen of the Paris conference on Cambodia, had appealed to the Khmer Rouge to maintain the truce.

"But it's a pity that the appeal made by the two co-chairmen and the U.N. Secretary-general was not heeded and was not successful in making the Khmer Rouge drop their ultimatum to continue fighting," he said.

Mr. Hun Sen also dismissed a claim by Khmer Rouge radio that guerrilla forces had captured two Vietnamese soldiers in the pailin area.

"Let them reveal the two of them," he said before being ushered to his hotel room by Thai security guards. [passage omitted]

Further on Meeting With Anan

BK0606143091 Bangkok Army Television Channel 5 in Thai 1230 GMT 6 Jun 91

[Text] Prince Norodom Sihanouk, accompanied by Minister Attached to the Prime Minister's Office M.R. Kasemsamoson Kasemsi, called on Prime Minister Anan Panyarachun at Government House this afternoon to report to the Thai prime minister on the outcome of the meeting of the Supreme National Council of Cambodia in Indonesia.

Prince Sihanouk spent about 40 minutes with Prime Minister Anan, and later on gave a press briefing to newsmen on the meeting. He said he would play the role of linking all Cambodian factions in order to forge a national reconciliation. He will visit Phnom Penh in his capacity as an envoy of peace and respected leader of the country. He said the people in Phnom Penh call him father. He plans to visit Phnom Penh either in November or December this year. Prior to that, Prime Minister Hun Sen of the Heng Samrin regime will be his and Princess Monique's guest in Pyongyang, North Korea, in July.

M.R. Kasemsamoson Kasemsi reported to newsmen that Prime Minister Anan asked Prince Norodom Sihanouk to serve as a link between the various Cambodian factions. Prince Sihanouk accepted to play that role and the prime minister was happy about that. The prime minister is scheduled to meet Hun Sen this evening at the Princess Hotel.

Sihanouk, Hun Sen Hold Separate Consultations

BK0606050291 Hong Kong AFP in English 0458 GMT 6 Jun 91

[Text] Bangkok, June 6 (AFP)—Cambodian resistance leader Prince Norodom Sihanouk and Phnom Penh Prime Minister Hun Sen were holding separate rounds of consultations here Thursday following peace talks in Jakarta which ended in a stalemate, Thai and Cambodian officials said.

The two rivals, during a meeting in the Indonesian capital of Cambodia's Supreme National Council (SNC), agreed on moves to further the peace process, including the thorny question of SNC leadership and continuation of a cease-fire, but their agreement was blocked by the Khmer Rouge. Both men arrived here Wednesday from Jakarta.

The Beijing-backed Khmer Rouge is Cambodia's former Marxist ruling group and the strongest faction by far in a guerrilla coalition fighting Phnom Penh's Vietnam-installed government. Prince Sihanouk is nominal head of the coalition.

Prince Sihanouk, whose followers form one of two small non-communist groups allied to the Khmer Rouge, and Mr. Hun Sen were to have separate discussions Thursday afternoon with Thai Prime Minister Anan Panyarachun, the sources said.

The deposed Cambodian monarch, still Cambodia's most internationally respected leader, began his talks in the Thai capital with a meeting with U.S. Ambassador Daniel O'Donohue. He was later to have lunch at the Chinese Embassy.

On Friday, Mr. Anan was scheduled to host a dinner in Prince Sihanouk's honour. Khmer Rouge leader Khieu Samphan and the head of the other non-communist guerrilla group, former Premier Son Sann, were expected to attend, the sources said.

Mr. Hun Sen was to return home Friday, while Prince Sihanouk will travel to Beijing on Saturday, the sources said.

The prince is not a member of the SNC, set up last year within the framework of a United Nations plan to end the 12-year-old Cambodian war. But in discussions earlier this week in Jakarta, where he was invited privately by Indonesian President Suharto during a meeting of the SNC, he reached agreement with Mr. Hun Sen on the yet unsettled issue of the body's leadership.

Under the agreement, which was immediately turned down by the Khmer Rouge, Prince Sihanouk would become SNC president and Mr. Hun Sen its vice-president.

The two also agreed on prolonging a cease-fire which has been in effect in Cambodia since May 1.

The Khmer Rouge has warned that it would consider the truce as terminated if the Phnom Penh regime failed in Jakarta to fully accept the U.N. plan, which provides for a broad dismantling of the administration and armed forces of the Cambodian government.

Sihanouk on Joining Supreme National Council

BK0706060491 Hong Kong AFP in English 0559 GMT 7 Jun 91

[Text] Bagnkok, June 7 (AFP)—The prince, Cambodia's former monarch and the nominal leader of a Khmer Rouge-dominated guerrilla coalition fighting the Phnom Penh government, did not join the 12-member SNC [Supreme National Council] when it was set up last year.

He said he had decided "to join the SNC as one of its 12 members, a simple member" to replace one of the two Sihanoukist representatives.

Prince Sihanouk and Phnom Penh Premier Hun Sen had earlier reached an agreement, which was immediately blocked by the Beijing-backed Khmer Rouge, under which the prince would have become the SNC's president and Mr. Hun Sen its vice president.

"Within the SNC, I want to be a 'bridge' between all Cambodian factions, in particular that of Phnom Penh and that of the Party of Democratic Kampuchea (the Khmer Rouge), in order to achieve quickly national reconciliation," he said.

He proposed an "urgent meeting" of the SNC to "further the peace process" and suggested as a venue a villa that he said was given to him recently by the Thai armed forces in northeastern Thailand near Cambodia's northern border.

The SNC is equally divided between the Phnom Penh government and the uneasy guerrilla coalition of the Marxist Khmer Rouge and two non-communist groups. The three guerrilla factions each have two representatives on the SNC.

Denies Wanting to Isolate Khmer Rouge

BK0606124691 Hong Kong AFP in English 1215 GMT 6 Jun 91

[Excerpts] Bangkok, June 6 (AFP)—Cambodian resistance leader Prince Norodom Sihanouk, saying he wants to serve as a bridge between Cambodia's warring factions, announced here Thursday that he would return to Phnom Penh in November for a two-month visit. [passage omitted]

Asked whether this was going to isolate the Khmer Rouge, the 68- year-old former king said: "No, no. I don't want to isolate the Khmer Rouge. I just continue to be a bridge between the factions."

Saying the Khmer Rouge doesn't "want the SNC [Supreme National Council] to be operational," Prince Sihanouk added he wanted to "help achieve our national reconciliation, because to have peace for the Cambodian people is to achieve natonal reconiliation among all factions."

Thai on Sihanouk Plan for SNC Meeting in Surin

BK0706144491 Bangkok Radio Thailand Network in Thai 1200 GMT 7 Jun 91

[Text] Foreign Ministry Spokesman Sakthip Krairoek said to newsmen that Prince Norodom Sihanouk's proposal, in a statement issued today, to hold a meeting of the Supreme National Council in Thailand's province of Surin is a new development, and that the Foreign Ministry has just learned about it. He said the proposal must be discussed first and that Prime Minister Anan Panyarachun and Foreign Minister Asa Sarasin have already been informed about it. The matter has also been forwarded to the cochairmen of the Paris International Conference for acknowledgement.

The Foreign Ministry spokesman said the matter might be raised for discussion at the dinner hosted by the Thai prime minister for the tripartite coalition leaders this evening at the Regent Hotel. It is possible that the prime minister will discuss this new proposal with Prince Sihanouk because Thailand had not been informed about this plan before.

End to Foreign Military Aid to Cambodia Urged

BK0606121191 Bangkok THAI RAT in Thai 6 Jun 91 p 3

[Editorial: "Cambodia Remains Cursed"]

[Text] The Thai people, as all others around the world, do not want to see fighting and killing among the Cambodian people that could lead to extinction of the Cambodian race entirely. For so long the Thai people have been witnessing the death and misery of the Cambodian people. Now again, their hope to see peace established in Cambodia has vanished. Cambodia remains under a curse, and the killings will continue.

The Thai people and people around the world, including those involved in the Cambodian conflict, such as the UK, the United States, France, China, Vietnam, and Indonesia, are aware that Cambodian unity can never be achieved as long as the warring factions are supplied with weapons and money for fighting. With China backing the Khmer Rouge, the United States and Western countries are providing supplies to the non-communist resistance factions. This made it impossible for the UN resolution to take effect.

If world powers stop supplying them with weapons, we think fighting among the Cambodian factions will gradually die down and the Cambodians will get together to think about national survival and reconstruction. Big and small countries involved in the conflict cannot blame the Cambodian leaders for their disagreements. So long as they get the backing, it is difficult to expect those Cambodian factions to compromise and unite. It is normal for each of the factions to desire leadership and domination over other factions if possible.

The Cambodian peace talks in Jakarta to name the president and vice president of the Supreme National Council [SNC] collapsed because Khieu Samphan could not accept Hun Sen as vice chairman of the SNC. He cannot accept it because he thinks his group is the strongest and will be victorious over other factions if fighting continues. He was also afraid that, in case of the absence of Prince Sihanouk, Hun Sen would be moved up as acting president with another person being made vice president in place of Hun Sen. Khieu Samphan cannot accept that.

The collapse of the Jakarta meeting will ruin all of the UN plans of a supreme council for joint administration of Cambodia, a cease-fire, a general election, and formation of a new administration in Cambodia. Fighting will continue. The Cambodians will remain a cursed people under threat of extinction. The prevailing situation could cause the world to become fed up and lose interest in solving the Cambodian peoblem.

Before all others lose interest in Cambodia, we appeal to the world people to try to stop the flow of assistance of all kinds for the Cambodian factions, making it possible for them to pursue the fighting and killing. This should stop before the extinction of the entire Cambodian nation.

Movement Toward Cambodian Solution Urged

BK0706023791 Bangkok THE NATION in English 7 Jun 91 p A10

[Editorial: "Time to move ahead"]

[Text] The three-day Jakarta peace talks ended Wednesday without any agreement among the four Cambodian factions or any progress on the United Nations peace plan. The only achievement which Indonesian Foreign Minister Ali Alatas could think of was that all the participants in the meeting "came to understand more precisely where the remaining issues are and came to know the possible ways of overcoming them."

One of the remaining issues is the Phnom Penh government's reservations about the UN peace plan, which it insists lacks credible measures to prevent a return of the Khmer Rouge to power.

Nonetheless, the meeting was a political triumph for resistance leader Prince Norodom Sihanouk, who has finally played his card against the Khmer Rouge, his communist ally in the three-party resistance.

Since the establishment of the Supreme National Council [SNC] last September, Sihanouk had virtually stayed away from the body, which was created to represent Cambodia's sovereignty. He had also refused to attend previous meetings of the council for fear that his presence would give legitimacy to Phnom Penh, which has six representatives on the 12-member council.

But this week in Jakarta, he made his move. Before the meeting, the prince issued several statements saying that he would meet with Hun Sen only if the Phnom Penh premier asked for it. However, once Sihanouk and Hun Sen arrived in Jakarta, the prince invited Hun Sen for lunch on the next day. All their fundamental disagreements on nitty-gritty aspects of the peace plan were abruptly swept aside as both leaders appeared eager to make some concessions.

The two did emerge with a significant agreement: Sihanouk would accept the chairmanship of the SNC, while Hun Sen would be deputy chairman of the council whose membership will be increased to 14 to accommodate the prince and an additional representative of Phnom Penh.

Son Sann, a non-communist ally of the prince, endorsed the agreement. But Khieu Samphan, leader of the Khmer Rouge, rejected it because he thought Hun Sen would be in an enhanced position to "sabotage" the peace process. The Khmer Rouge's belligerent position is another remaining issue that nobody seems to know how to resolve yet.

Hun Sen did have one idea: He wants the SNC to follow the will of the majority in its decision making, instead of the rule of unanimity which gives the two Khmer Rouge representatives veto power. He felt the Khmer Rouge should be expelled from the council altogether if they do not like this change.

Sihanouk and his non-communist allies, who have to rely on the Khmer Rouge's military might to keep their resistance alive, will have a hard time coming up with a final decision. Alienating the Khmer Rouge would significantly weaken the resistance militarily. On the other hand, limiting the Khmer Rouge's room for diplomatic manoeuvring may force the communist faction to soften its stance.

As chairman of the SNC, Sihanouk would be able to attract international attention to the urgent tasks of implementing the UN peace plan and the reconstruction of Cambodia. His international stature makes it difficult for the Khmer Rouge to deny the legitimacy of the SNC.

Sihanouk's suggestion to move the council to Phnom Penh is logical as it would provide the prince an opportunity to return to his homeland, after 20 years of living in exile, and to assess the real situation in Cambodia.

Certainly, the talks in Jakarta also benefitted the Vietnam-backed Phnom Penh government because Sihanouk and Hun Sen were able to see eye to eye once again on how to achieve a comprehensive settlement to the 12-year-old Cambodian conflict. The personal rapport between the two leaders will form the basis for future cooperation that could lead to an early end of the civil war.

Once Sihanouk is in Phnom Penh as chairman of the SNC, he can effectively address the issue of Vietnamese settlers, which the resistance claims has reached over a million, and find ways to prevent an influx of Vietnam settlers which could affect the polls.

The human rights section of the UN peace plan is designed to assure that the terrible abuses of the past cannot occur. With such an assurance, it is possible that Phnom Penh may shift its stance on shutting out the Khmer Rouge entirely because of its genocidal past.

The Supreme National Council should begin to function as soon as possible, regardless of the Khmer Rouge's position. The international community is fast losing interest in and patience with the endless bickering of the Cambodian leaders. With Sihanouk, Son Sann and Hun Sen in the SNC cooperating with the UN, some real progress toward peace in Cambodia is possible. Should the Khmer Rouge prefer to watch from the sidelines or end the ceasefire and fight to the bitter end, then it will just serve to make the world see the true colours of these radical Cambodian communists.

Army Chief Warns Against Cambodian Robbers

BK0706073391 Bangkok Radio Thailand Network in Thai 0530 GMT 7 Jun 91

[Text] General Suchinda Khraprayun, Army commander and deputy chairman of the National Peacekeeping Assembly, granted an interview to reporters about the problem that a number of Cambodian soldiers have recently robbed Thai villagers along the border.

He said Thai authorities are working on the problem. In a meeting with the defense minister of the Heng Samrin government, the Thai Army chief urged Cambodia to pay more attention to the issue in order to prevent such action, or else Thailand may have to impose strong measures against those Cambodian soldiers.

Regarding the failure of the negotiations among the four Cambodian factions in Jakarta, the army chief remarked that it was not quite a failure, and a perfect success of the talks should not have been expected. Things have to be worked out step by step to pave the way for better agreement in the future, concluded the Thai Army commander.

Minister on Reports of Gas Attacks in Laos

BK0706022191 Bangkok THE NATION in English 7 Jun 91 p A4

[Excerpts] Interior Minister Itsaraphong Nunpackdi yesterday described as an "internal affair" reports that Lao forces might be using chemical weapons against hilltribe rebels near the Thai border.

But Gen Itsaraphong, who is concurrently deputy army commander in chief, warned that the Lao government's campaign against rebellion must not affect Thai villagers in border areas.

Itsaraphong neither denied nor confirmed Tuesday's UNITED PRESS INTERNATIONAL report which quoted Interior Ministry and military intelligence sources. UPI said Thai authorities were quietly investignating reports that Lao forces used chemical weapons against hilltribe rebels near the border last week, causing deaths and injuries.

UPI, quoted a Thai Interior Ministry official, who asked for anonymity, as saying the Thai government would be very cautious about publicizing reports that could jeopardize improving trade and political relations with the communist Lao government.

Another Thai official involved in intelligence affairs told the news agency that one report said some of the chemical cloud, called "yellow rain" by hilltribesmen, had drifted into Thai territory, killing one Thai villager and injuring nine others in Mae Charim district of Nan province.

Nan police contacted by THE NATION did not confirm the reported Thai casualty, but acknowledged there were suspicions on the Thai side that Lao was using chemicals against rebels.

Itsaraphong also did not mention the reported death and injuries of Thai villagers.

"It (the alleged use of chemical weapons) took place inside Laos and has nothing to do with us," he said. "Moreover, we cannot yet prove that it was real chemicals." [passage ommitted]

Itsaraphong said the Interior Ministry would not summon Lao Embassy officials to explain the alleged use of chemical weapons.

"That is the Foreign Ministry's duty," he said.

But he said if Thai villagers at the border were affected, "we will react, and our reaction will be strong."

The current Thai military leadership has tried to promote improved ties with the communist neighbour, which fought a bloody border war with Thailand nearly four years ago.

Hilltribe witnesses said the chemicals were first used against their stronghold at Phu Bia in central Laos in 1977, two years after the communists seized power in Laos.

A US investigatoin into the reports concluded that Lao and Vietnamese forces had attacked the hiltribe rebels with a mixture of nerve agents, riot control gas and an unknown substance that caused profuse bleeding. Subsequent scientific investigations suggested the unknown agent was a potent type of poison called "mycotoxin" derived from a fungus on rotting wheat.

In 1981 the United States' formal accusation that the Soviet Union was supplying the poison gas to its Lao and Vietnames allies were angrily denied by Vientiane and Hanoi. A subsequent UN investigation was inconclusive.

Miyazawa Asks Japan To Lead Asian Economic Zone

OW0606143791 Tokyo KYODO in English 1355 GMT 6 Jun 91

[Text] Bangkok, June 6 KYODO—Japan's former Deputy Prime Minister Kiichi Miyazawa proposed Thursday that Tokyo lead the "Asian economic bloc" comprising the Association of South East Asian Nations (ASEAN), South Korea, and Japan.

"The most important goal we should strive to attain" is for Japan to play a leading role in helping this Asian economic zone "outdo" the North American economic zone and European economic zone by providing even greater economic aid to it, Miyazawa said.

Miyazawa made the policy recommendations at a lecture meeting at a Bangkok hotel.

His proposals came at a time when his faction, the third largest in Japan's governing Liberal Democratic Party [LDP], is striving to gain support for his bid to become LDP president from both domestic political circles and the business community.

"The Asian economic zone will outdo the North American economic zone and European economic zone at the beginning of the 21st century and assume a very crucial role in the world," he said.

Miyazawa said Japan should bolster its foreign economic aid and concentrate its financial assistance on projects designed to improve the economic infrastructure in the region.

He also proposed that Japan should train financial experts to help expand financial markets in the Asian economic bloc, while giving governmental backing to efforts to pump long-term investment into the area.

Miyazawa, also former finance minister, recommended that the proposed Asian economic zone step up efforts to whittle down barriers that are keeping a capital influx from the United States and Europe from streaming into the region.

Further on Vietnamese 'Pirates,' Trawlers

BK0706015591 Bangkok THE NATION in English 7 Jun 91 p A1

[Text] Hat Yai, Songkhla—Sixty-two Vietnamese in eight trawlers were rounded up by Thai naval officers in the Gulf of Thailand yesterday on the eve of Supreme Commander Sunthon Khongsomphong's planned visit to Vietnam to discuss an emerging territorial problem.

Yesterday's arrests brought to 104 the number of Vietnamese arrested in an on-going anti-piracy crackdown that started last week in the gulf.

The naval officers initially planned to release some of the eight Vietnamese boats and their crew, who they said were not armed, but some Thai fishing boats, who were monitoring the navy ship's radio communications, protested and demanded that all of the boats be taken in.

Officials on a Navy radar ship spotted the eight boats near Losin Island off Pattani coast at around 2 am and informed a Navy patrol fleet which rounded them up an hour later.

The officials said two M-16 assault rifles and one AK-47 assault rifle and a large amount of ammunition were seized from a couple of the boats.

During the arrest, the fleet received a radio order to release the unarmed Vietnamese boats but Thai fishing boats monitoring the message protested through radio communications, according to naval officers.

Some Thai fishermen, claiming to represent 100 Thai fishing boats on the sea at that time, alleged that the unarmed boats were acting as spies for the armed ones.

"Don't be kind to them, they have hurt us plenty already," a voice shouted angrily during the radio contact, according to naval officers.

The latest arrest was made on the eve of Supreme Commander Gen Sunthon's scheduled one-day visit to Hanoi, during which the piracy problem and Thailand's emphasis of its sovereignty over Losin island are expected to top the agenda between the two countries' military leaders.

A military source said Sunthon was expected to ask the Vietnamese military to be stricter in preventing its soldiers and others from using Losin Island as a staging area to rob Thai fishing boats.

The source, who is a senior officer, said he believed that the Vietnamese crews were not ordinary pirates, who would have released the Thai fishing crew after each robbery. Instead, the crew was brought to Vietnam and detained, he said.

He said the acts of piracy were considered as violations of Thailand's sovereignty because the island was within the Thai 180-nautical-mile economic zone. He added that the Thai military would not tolerate the activity any more.

—Supreme Commander Sunthon was evasive yesterday about fishermen's demands that the government compensate for the reported loss of three trawlers used as pawns in an anti-piracy crackdown in the Gulf of Thailand last week.

The three vessels—Choke Kamon Nava 9, Kananak 15 and Bunlap 12—were deployed last Friday to lure pirate boats, according to a leader of the southern fishing industry.

A high-speed Royal Thai Navy ship abandoned the three trawlers when it was intercepting a suspected Vietnamese pirate boat, leaving them vulnerable to attacks by other pirates, he said. The three boats and their 29 crew members have gone missing.

Sunthon, asked to comment on the incident, did not confirm it, but remarked that Thai fishermen had agreedd to contribute to the anti-piracy campaign.

"Before we launched the crackdown, we (the military and fishermen) had an agreement that trawlers would be used in the operation," he said. "Now what are they asking for?"

Vietnam

Hun Sen Comments on SNC, Cease-Fire Agreement

BK0606154991 Hanoi VNA in English 1445 GMT 6 Jun 91

[Text] Hanoi VNA June 6—Hun Sen, chairman of the Council of Ministers of the State of Cambodia, has warned that the Khmer Rouge and they alone would have to take full responsibility if the cease-fire were broken in Cambodia. Speaking at a press conference after the conclusion of the meeting between the two cochairmen of the Paris Conference on Cambodia and the Supreme National Council [SNC] of Cambodia, Chairman Hun Sen dismissed all assertion that the meeting had been a failure.

"In fact," he stressed, "there had been a lot of progress. We now have many rostrums, the Jakarta rostrum, the Hun Sen-Sihanouk luncheon. This rostrum is very important because it has helped the meeting to achieve results." He went on: "The SNC is the brain of the whole body, so the question of the SNC composition and mechanism is extremely important. If the SNC cannot work, it would be very difficult to settle other questions. Everybody deplores the fact that some members of the SNC want to have an egg before we get a hen. They tried to force us to accept the documents in their entirety before they accept the composition of the SNC."

In the question of cease-fire, Chairman Hun Sen said: "We and His Excellency Son Sann and Prince Ranariddh have agreed to continue the cease-fire. But the other side remains silent and continue their threat to end the cease-fire. If tomorrow the fight resumes, full responsibility shall rest with no one else but those who have issued the ultimatum to break the cease-fire. They will have to take responsibility from tomorrow. We do not seek a partial solution, instead we always hold that only an overall solution can settle the problem. But there are two important questions relating to the cease-fire. The cease-fire will generate mutual trust. We have many times declared that only a political solution can solve the Cambodian question. The test of strength on the battlefield has lasted many years now. We don't want to use our military superiority to impose our will at the conference table. For the cease-fire to take efect it is necessary to end the military [aid] to all factions and to have an international control mechanism. I invite anyone to come to Cambodia to see if Vietnamese troops are still there or not. The other side has been using only this question as pretext to prolong the war."

In conclusion, Hun Sen said: "Our meeting has not been a complete failure. We have understood one another better and three parties have agreed to continue the cease-fire and regard this as a positive development which would help narrow the scale of the war."

Hun Sen-Sihanouk Jakarta Agreement Welcomed

BK0706033891 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 6 Jun 91

[Station Correspondent Duong Quang Minh commentary: "A Positive Agreement"]

[Text] On 2 June 1991, in Jakarta, the capital of Indonesia, Hun Sen, chairman of the Council of Ministers of the State of Cambodia, and Prince Norodom Sihanouk agreed that the prince would serve as chairman and Chairman Hun Sen as vice chairman of the Supreme National Council [SNC] of Cambodia, which comprises 14 members—seven from the State of Cambodia and seven from the Cambodian opposition. Chairman Hun Sen and Prince Sihanouk also agreed to extend the cease-fire in Cambodia and stop accepting foreign aid.

Following in the wake of the meeting between Chairman Hun Sen and Prince Sihanouk was the second SNC conference, which lasted three days. Evaluating the outcome of the conference, the cochairmen of the Paris International Conference on Cambodia [PICC], Indonesian Foreign Minister Ali Alatas and Alain Vivien, secretary of state of the French foreign minister, pointed out: In three days of intensive work, the conference strove to accomplish what it had set out to do and made an effort to resolve the outstanding problems of the 26 November 1990 Draft Document. It succeeded in reducing the differences and creating favorable conditions for the PICC. The conference also held discussions to gain a better understanding of possible solutions to the outstanding issues and to chart a clearer direction.

The PICC cochairmen also stressed the progress made outside the SNC conference in Jakarta, namely the Hun Sen-Sihanouk agreement and the new SNC structure, and considered this as a positive development.

Together with public opinion, Vietnam welcomes and highly evaluates the meeting as well as the agreement reached between Chairman Hun Sen and Prince Sihanouk. Vietnam considers this a new, important development in the advance to a comprehensive political solution to the Cambodian issue. Vietnam also reiterates its desire for an early implementation of the national reconciliation policy in Cambodia to bring about peace for its people. For this reason, the agreement between Chairman Hun Sen and Prince Sihanouk on extending the cease-fire in Cambodia is extremely necessary on the road to a comprehensive political solution concerning Cambodia. This Hun Sen-Sihanouk agreement has proved the value of their past commitments including the 21 February 1990 Bangkok Joint Communique and especially the 5 June 1990 Tokyo Joint Communique which said that both sides wished to find a solution to the Cambodian issue as soon as possible. These communiques clearly pointed out: Self-restraint must be urgently practiced by all sides in the use of force. Arms supplies from outside to Cambodia must be checked. An SNC must be set up to symbolize the neutrality, national sovereignty, and national unity. The SNC comprises an equal number of members from both sides representing all views of the Cambodian people.

For its part, the Government of the State of Cambodia has constantly sought to implement the agreements already reached. At the second SNC meeting in Jakarta, the untiring efforts of the Cambodian Government, made through its SNC members, were once again manifest. The State of Cambodia's acceptance of Prince Sihanouk as SNC chairman is proof of these efforts. In conjunction with these efforts is the work of the PICC cochairmen, the UN secretary general, and many other UN member countries concerned.

It should be recalled that to achieve peace and national reconciliation in Cambodia, the important thing is to halt foreign military aid to the Cambodian sides. The Soviet Union and the United States reached agreement on this matter a year ago. The SRV and the Lao People's Democratic Republic have issued statements pledging to the international community that they will not allow foreign countries to ship war materials to Cambodia via their national territories. Everybody knows that a cease-fire, cessation of military aid, and the SNC operating in full capacity are the sine qua non for the settlement of the Cambodian issue in accordance with the Cambodian people's interests and the UN Charter.

The road to a comprehensive political solution for Cambodia is being shortened. Naturally, this process is not an easy one because obstacles still remain. Prince Sihanouk revealed that the Khmer Rouge have rejected the Hun Sen-Sihanouk agreement and threatened to continue the war. Evidently, as long as the genocidal clique is allowed the right to veto, the settlement of the Cambodian issue remains complicated. It is high time for the international community and the countries and sides concerned with the settlement of the Cambodian issue to deprive the genocidal clique of this right which it does not deserve.

In her regular press conference in Hanoi this afternoon, the spokeswoman for the SRV foreign ministry pointed out that Chairman Hun Sen's proposal for setting up an international tribunal to try the genocidal Pol Pot clique accords with international law and mankind's conscience.

Government Shuns UK Refugee Proposal

BK0606153691 Hong Kong AFP in English 1325 GMT 6 Jun 91

[Text] Hanoi, June 6 (AFP)—Vietnam reacted cooly Thursday to a British proposal, which the United States has indicated it would not oppose, to send boat people to internationally managed transit camps in Vietnam.

The Vietnamese Foreign Ministry spokeswoman, Ho The Lan, said Vietnam still supports the Global Action Plan (GAP), which opposes forced repatriation.

"We reiterate that the GAP adopted in June 1989 and April 1991 constitutes the best solution," said Ms. Lan, when asked Vietnam's opinion about the proposed camps.

Officials from Britain and its colony of Hong Kong, where more than 50,000 Vietnamese boat people are languishing in refugee camps, visited Washington earlier this week in an attempt to soften U.S. opposition to forced repatriation.

The United States appeared to soften its position to forced repatriation, at least to internationally managed camps, and Britain intends to seek bilateral talks with Vietnam.

Ms. Lan said Vietnam has not been contacted, however.

As part of a United Nations program of voluntary repatriation, about 8,000 Vietnamese have returned home since

1989, but thousands of others, although denied political refugee status or judged extremely unlikely to get it, have refused to leave.

Britain and Hong Kong's objective of sending 1,000 voluntary returnees home every month has not been met for several months.

But officials still remember the international outcry caused by the forced repatriation of 51 Vietnamese two years ago.

Do Muoi Receives Japanese Company Executives

BK0606092691 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 5 Jun 91

[Text] Mr. Kunio Komasu, vice president of the Japanese company Nissho Iwai, and representatives of other oil companies paid a working visit to Vietnam from 4 to 6 June.

On the afternoon of 5 June, at the Presidential Palace Do Muoi, chairman of the Council of Ministers, received Mr. Kunio Komasu and the delegation.

The Japanese vice chairman talked to Chairman Do Muoi on the prospects for economic cooperation between Nissho Iwai and Vietnam and full cooperation in oil and gas, from exploration and exploitation to the oil refinery. He also expressed his wishes to start the operation early after an agreement was reached between Vietnam and the company.

Chairman Do Muoi hailed the company for its cooperation with Vietnam for many years and expressed his belief that the cooperation will develop further in the future under Vietnam's open-door policy and for the benefits of Vietnam and Japan.

Nguyen Co Thach Receives French Minister

BK0606155591 Hanoi VNA in English 1449 GMT 6 Jun 91

[Text] Hanoi VNA June 6—Nguyen Co Thach, vice-chairman of the Council of Ministers and foreign minister, received here today Jean Michel Bayet, French minister in charge of tourism, and French businessmen accompanying him on a working visit to Vietnam from June 5-7.

Vice-Chairman Nguyen Co Thach briefed the guests on the present situation in the region and the current renovation in Vietnam, which, he said, are favourable for the tourist cooperation between Vietnam and other countries, including France. For his part, Minister J. Michel Baylet spoke highly of Vietnam's efforts to develop tourism. He also outlined some projects on tourist development in Hanoi, Ho Chi Minh City, and other localities within the framework of bilateral cooperation. The French minister expressed his hope that Vietnam would create favourable conditions for French companies to invest and cooperate with Vietnam in tourism.

Present at the reception were Vu Khac Liem, vice-minister of culture, information, sports and tourism, and French Ambassador to Vietnam Claude Blanchemaison.

On Wedesday, the French minister and Tran Hoan, minister of culture, information, sports and tourism, exchanged their experiences and ideas on tourist cooperation between the two countries. During their stay, the guests visited a number of tourist establishments in Hanoi, Ho Chi Minh City, and Quang Ninh Province.

French Official Comments on Banking Reform

BK0706080291 Hanoi VNA in English 0634 GMT 7 Jun 91

[Text] Hanoi VNA June 7—"Banque Indosuez is quite optimistic about the economic potential in Vietnam", said Mr. Yves Panis, the official representative of Banque Indosuez in Ho Chi Minh City, in an interview with the Commerce Magazine. According to the bank representative, 1990 was "a good year" for Banque Indosuez in Vietnam. He said: "We have been active in financing trade, projects, participating in financing telecommunications projects with BFC [French central bank] as leading manager. Banque Indosuez has been the leading manager of the syndicate of banks financing the renovation of Hotel Thong Nhat in Hanoi. To show our will to increase our presence in Vietnam we decided to open an office in Hanoi. And now we are looking into some kind of arrangements as to open a branch or a joint venture in Vietnam depending on the decision of the central bank. We are happy to have a joint venture in banking". Dealing with difficulties in doing business in Vietnam, Yves Panis said that was "normal situation" because Vietnam has just opened the door and it takes time to adjust itself to the environment. "However, he added, "there should be a proper legal system, a proper banking system to secure foreign investment. This is necessary for business dealings in many areas such as finance, investment, foreign exchange, money market operations, capital market operations and so on. Other facilities like communications, telecommunications linking metropolitan cities as well as provinces are also no less important. Foreigners who come to Vietnam on long-term business might have their families with them. And they need hospital facilities, schools for their children. Also, there should be proper arrangements to facilitate internal travels and international trips. I can say that the past eighteen months have seen much progress and the allround situation has improved a lot. Of course, we have to deal with a short-term difficult situation caused by the American embargo, due to the fact that Vietnam is not yet eligible to the IMF. As soon as these problems can be solved I am quite confident that Vietnam can grow and prosper. Banque Indosuez is quite optimistic about the economic potential in Vietnam. And I think the future of relationship between Vietnam and France will be better. France can be one of your important partners in the future".

Polish Envoy Holds News Conference

BK0606155691 Hanoi VNA in English 1353 GMT 6 Jun 91

[Text] Hanoi VNA June 6—Polish Ambassador to Vietnam Stanislaw Gebala held a press conference here today on the Polish situation. He stressed that Poland would carry forward its economic reform in spite of numerous difficulties.

The Polish diplomat informed the pressmen that talks between Poland and the Federal Republic of Germany had concluded and an agreement on cooperation and good neighbourly relations between Poland and the Federal Republic of Germany would be inked this month.

Swedish Envoy Holds Reception on National Day

BK0606154891 Hanoi VNA in English 1425 GMT 6 Jun 91

[Text] Hanoi VNA June 6—The Swedish ambassador to Vietnam, Mrs. Birgitta Johansson, gave a reception here today in honour of her country's national day (June 6).

Among her Vietnamese guests were Nguyen Co Thach, vice-chairman of the Council of Ministers and Foreign Minister and Phung Van Tuu, vice-chairman of the National Assembly.

Members of the diplomatic corps and representatives of various international organizations in Hanoi also attended.

Mrs. Birgitta Johansson, Nguyen Co Thach and others raised toasts to the consolidation and development of the friendship, cooperation and mutual assistance between Vietnam and Sweden in the interests of the people of each country and of world peace.

Foreign Ministry Official on Sunthon's Visit

BK0706022991 Bangkok BANGKOK POST in English 7 Jun 91 p 3

[Text] Vietnam is hoping a visit today by Thailand's supreme military commander, General Sunthon Khongsomphong, will improve bilateral ties and help Hanoi build military cooperation with non-communist countries in the region.

A Vietnamese Foreign Ministry spokeswoman said Sunthon's delegation, including five generals and several senior military officials, would discuss issues of mutual concern with Vietnamese officials during the one-day visit.

"It is our hope to promote friendship, including military ties, with countries in the region," she told a news briefing. "We have such ties with Indonesia."

Sunthon is coming at the invitation of Vietnam's military chief-of-staff, General Doan Khue, she said. Sunthon led a military coup in Thailand last February that toppled former prime minister Chatchai Chunhawan.

Sunthon will also meet Vietnamese Prime Minister Do Muoi, Foreign Minister Nguyen Co Thach and military leaders, the ministry said.

Journal Discusses National Defense Tasks

BK0406131591 Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Apr 91 pp 20-27

[Article by Tu Nguyen: "Victory on the Front of National Defense and New Tasks for the Days Ahead"]

[Text] Implementing the policy of renovation laid down in the sixth party congress resolution, along with those in the political, economic, social, security, and diplomatic domains, the military and national defense tasks have undergone important new changes in the right direction and have produced good results. As pointed out by the party in its draft political report: "The results achieved in the military and national defense domains have yielded a positive impact on the implementation of the two strategic tasks of building and defending the homeland, thus creating new favorable conditions for economic development."

One of the greatest achievements and also an important lesson of experience in implementing the military and national defense tasks is that we know how to proceed from realities in the country, to firmly maintain our independent and creative thinking, and to accurately evaluate the situation in order to define the correct policies for action.

Over the past four years or more, our country has been in a new revolutionary stage, a stage in which we have engaged in national construction and defense while performing international duty against a backdrop of rapid and complex changes in the world and the region. The objectives of our revolution, as well as the enemy's schemes and tricks of sabotage, tend to change in each stage.

During the 1986-88 period, the enemies changed their schemes and tricks of sabotage against our country, from a large-scale war of aggression to nibbling operations in border and sea areas or on off-shore islands, as well as to multifaceted acts of sabotage inside our country.

Since 1989, after the complete withdrawal of the Vietnamese volunteer army from Cambodia and due to the complicated situation in various socialist countries, the objectives of our revolution and the enemies' schemes and tricks of sabotage have also fundamentally changed. The enemies have frantically resorted to the trick of "peaceful evolution" along with fomenting counterrevolutionary rebellion and unleashing military threats. Meanwhile, the enemies from without have worked hand in glove with those from within. This has made it even more complicated for us to accurately identify, assess, and distinguish between various types of enemies.

Against such a seriously complicated backdrop, we have scientifically and correctly analyzed and assessed the situation; accurately analyzed the substance, nature, and trend of development of our times and the balance of powers between revolutionary and counterrevolutionary forces in the world, in the region, and in the country; and precisely defined the enemies and their schemes and tricks, as well as our capabilities and the characteristics and new requirements of our national defense. On that basis, we have advanced and gradually and successfully adopted policies for adjusting our national defense strategy.

In fact, we have replenished and adjusted the military and national defense tasks in every part and every strategic direction of our country; finished the adjustment of the deployment of forces on a national scale; redeployed and further consolidated the people's war network from grassroots to national levels; and created rational targeted, broad, and deep defensive positions that meet the needs arising from the tasks of maintaining security; countering the trick of "peaceful evolution" and acts of comprehensive sabotage, rebellion, and subversion; readily and effectively opposing all types of war of aggression by the enemies from all directions, including large-scale war of aggression; and consolidating peace to create favorable conditions for national construction.

On the national defense battlefront, we have thoroughly understood the guideline of positively heightening vigilance and resolutely struggling to defeat all enemy plots and schemes of aggression and to defend the territorial integrity of socialist Vietnam while actively settling the regional and international disputes through political solutions and dialogues. We have combined the military, political, and diplomatic struggles to gradually create a situation of partial peace and war, and then to move, generally speaking, to a state of peace throughout the country. We have constantly consolidated that peace and the relations of friendship and cooperation with neighboring countries and other countries in the world, creating a favorable environment for national construction. In many instances, we have restrained ourselves to the utmost to avoid opening fire. Just as General Le Duc Anh said: "Our combatants have put their patience to the extreme test and have endured sacrifices in order to uphold the goodwill of peace and just cause in the struggle against the enemy to defend national sovereignty and compel the enemy to retreat."

Despite efforts during that time, some people still held that our troops were too tough and inflexible or condemned our troops for losing their vigilance, being negative, and retreating in the face of the enemy (!).

Under the conditions of untold socioeconomic difficulties and with a view to helping to solve problems, ensuring national defense and military strength, and participating in national construction, the party Central Committee's military commission and the National Defense Ministry have adopted correct guidelines and measures to organize forces of the Army to participate in building the economy. National defense factories have promptly shifted their tasks into another direction to continually turn out national defense products while producing consumer goods in order to maintain their potential and help build the country. Although they still have to deal with many difficulties and problems in the implementation of the new tasks and the new economic management mechanism, many national defense factories and Army economic-building organizations have begun to assert themselves and develop steadily. Many of the Army's economic-building units have successfully participated in building targeted state projects of high economic and technical standards. Many economic and national defense units have withstood difficulties and privations, and maintained their assault role in building the economies of localities of significance to both the national economy and national defense, such as in the outlying mountainous and border regions.... They have made no small contributions to building the infrastructures for the implementation of state plans for redistributing the population and zoning off economic areas, which are tasks that state economic units would not have accepted easily.

Facts have confirmed that the policy of allowing the Army to participate in building the economy is correct and essential. What is of concern is that the state should issue unified rules on the forms, mechanisms, and policies for the Army troops to build the economy.

In fulfilling international obligations, our party has formulated correct and creative policies, and has scored important successes. On the strength of helping our Lao and Cambodian friends mature and become firm and strong comprehensively so that they can be capable of assuming the tasks of defending their own revolutionary gains and countries, we promptly withdrew home all of our volunteer troops. The Lao and Cambodian revolutions are consolidating, maturing, and advancing continually and steadily.

The wholehearted and effective assistance given by our people and Army to the Cambodian and Lao revolutions in a pure spirit of internationalism have contributed to consolidating and develping by another step the traditions of unity, friendship, and special cooperation between our people and Army on one side and the peoples and Armies of fraternal Cambodia and Laos on the other, and consolidating the militant alliance bloc of the three countries. The results obtained from this have greatly contributed to creating a new, comparatively peaceful situation in the entire nation and the region, thus enabling our people to concentrate on carrying out national construction.

Second, it is necessary to keep ourselves fully informed, to renovate our concepts, and through our actions, to materialize our concepts about all-people national defense and people's war under new circumstances.

It should be admitted that for a comparatively long period of time, we have not given appropriate attention to the implementation of the two strategic tasks of building and defending the fatherland as required by the revolutionary tasks. This is because we have tended to pay much attention to economic construction while belittling the consolidation of national defense. Through realistic activities, we have, however, gradually been more clearly aware of the law of inevitablity governing the linking of national construction with national defense. We have become more satisfactorily aware of the need to link our construction efforts with our struggle on various fronts—political, economic, social, security, diplomatic, and military—in order to create an integrated strength in national defense.

One of our major successes in implementing the tasks of consolidating national defense and building a system of people's war in every locality and in the country as a whole is that we have gone ahead with building various provinces and cities into impregnable defense zones. This is the result of our creative thinking about developing and applying to new circumstances those military experiences and traditions obtained by our nation during the wars of resistance against the French and then the Americans. With the organizing and building of defense zones and the conducting of military drills in these areas, the party's new mechanisms of leadership over national defense in various localities have been consolidated and its leadership skills have been improved. The new mechanisms of leadership have gradually developed the right to mastery and the sense of responsibility of every citizen, locality, establishment, sector, echelon, and the entire political system with regard to national defense tasks.

The successful building of various provincial and city defense zones is a solid foundation for ensuring that all the people engage in national defense, that the entire country remain combat-ready, and that every locality has its on-site standby forces with logistical and technical maintenance bases that allow immediate combat reactions against the enemy in order to firmly defend the locality concerned with the use of its own personnel strength, to contribute to maintaining national defense, and to create conditions for it to join with those mobile regular forces of higher echelons in dealing large-scale destructive blows to the enemy.

Third, it is necessary to attend to building and improving the integrated strength of the People's Army and the People's Armed Forces as a whole.

While building the Armed Forces, we have correctly defined our basic course of action. We build the People's Armed Forces in line with our country's revolutionary tasks which consist of consolidating newly regained peace, striving to develop the economy, stabilizing and gradually improving the people's living standards, firmly maintaining the political stability and firmly defending the fatherland as well as the socialist regime, and preserving our country's independence, sovereignty, and territorial integrity.

By strictly adhering to this basic course of action, over the past four years we have effected a fundamental, comparatively steady change for the better in the integrated strength of the Armed Forces; have basically rectified the Armed Forces organizationally and in terms of their personnel strength; and have reduced the regular force by 600,000 men including over 100,000 officers. Making such a large troop cutback as a result of a frozen defense budget is not a simple task as this requires careful preparations with the availability of funds and clear-cut benefit policies and systems. Fortunately, we have been able to solve this problem in a comparatively satisfactory manner, including taking into account all the ramifications involving benefit systems and policies. It can be said that this is a great effort and also a great success for our entire party. This success was made possible thanks to the all-round assistance given by our entire party and people.

While streamlining our regular forces, we have promptly formulated measures to enhance Army combat capability and readiness. Particularly, we have resolved many difficult issues. These include adjusting the strategy of supplementary work; reorganizing the Armed Forces; improving the command, school, technical and logistics systems; boosting the content and method of training, accelerating the building of comprehensively strong regiments, and mobilizing the reserve force. The militia and self-defense forces have also been significantly strengthened in quantity and quality, and their role in political security maintenance and social order and safety in localities developed.

Against the background of complicated changes at home and abroad, the Military Commission of the CPV [Communist Party of Vietnam] Central Committee and the National Defense Ministry have consistently strengthened the political role of the Armed Forces, firmly consolidated party leadership over the Army, enhanced the political knowledge of cadres and combatants especially Army officers, and promoted close relations between the Army and the people. As a result, during the recent complicated situation, our people's Armed Forces have consistently maintained their credibility, absolute loyalty to the party and people, and their belief in socialist aims. The Armed Forces have also satisfactorily protected the party and socialism and defended the independence, sovereignty, and territorial integrity of the fatherland, while striving to fulfill national construction and international duties.

Thanks to our great efforts, during the past four years we have scored remakable achievements in these important tasks. However, there are still many pressing problems. Besides the shortcomings and weaknesses in national defense mentioned in the draft political report, additional issues include: setbacks in filing meteorological reports and detecting and monitoring enemy sabotage; inconsistency in implementing an extensive and effective campaign to consolidate national defense, enhance vigilance, and strengthen the two strategic tasks. This has led to negative practices among people and sectors. The state tends to concentrate only on economic development while downgrading national defense, reasoning that if the economy is strong, national defense will be likewise, and that we can reinforce the Army if war breaks out. Some people have even criticized the acceleration of national defense and military development as "militaristic." Worse, many other people have asserted that there is currently only one strategic task in building the fatherland.

As a result, the party and state should take uniform measures to eliminate this misunderstanding. While educating the people to enhance their responsibility and discard wrong concepts and erroneous thinking, the party and state should take measures to encourage and make socioeconomic agencies and citizens realize their national defense duties.

The next five years (1991-95) will be fraught with numerous difficulties and ordeals. However, we have favorable conditions and opportunities to accelerate national construction and defense.

On the basis of implementing our revolutionary tasks in the next five years, including the national defense task mentioned in the draft political report, I would like to present the following issues with the aim of contributing to consolidating national defense and strengthening the Armed Forces in the days ahead:

1. Better realize the substance of the new thinking and the national defense task:

After 15 years of implementing the national defense task, we have realized even more clearly "the differences betwen national defense and national liberation. Peace is different from war (even if it is an unstable peace)" (Footnote 1) (Nguyen Van Linh: "Consolidate Peace, Heighten Vigilance, and Develop the Integrated Strength for National Defense," TAP CHI QUOC PHONG TOAN DAN, Issue No 12/1989, p 5). The character of a war of national defense is different from that of a war of national liberation. Strategies and tactics employed against the enemy during peacetime are also different from those employed during wartime.

The world situation, the Southeast Asian situation, and the situation in our country in the years to come will be very different from the past few years. The strategic balance of military forces between revolutionary and counterrevolutionary forces has changed in favor of the enemy. Hostile forces are, in collusion with reactionaries at home and abroad, frenziedly carrying out the "above containment" strategy. Together with their military deterrence efforts, they are resorting to the use of "peaceful evolution", all-round sabotage, and unrest and subversion inciting tricks in the hope of getting rid of socialism in our country.

Of course, we should have a new political thinking if we want to correctly realize the essence and nature of the task of defending the socialist fatherland under new circumstances.

This means that we should correctly realize our direct, dangerous, and long-term enemy and its lackey forces, their overall potentials and their sabotage activities that may occur either during our peaceful national construction or during a time when we are forced to wage a war for national defense. Therefore, viewing and evaluating the enemy's capabilities during peacetime are different in many ways from viewing and evaluating the enemy during wartime. Therefore, we should be very alert and should develop a new thinking suitable to our time so we can evaluate the enemy and come up with flexible and appropriate strategies and tactics against it during peacetime and can remain vigilant and defeat the enemy during the war for national defense.

This means that safeguarding the sovereignty and territorial integrity of the fatherland should be linked with efforts to protect the socialist regime, the Communist Party, and the proletarian dictatorship regime.

This means that defending the socialist fatherland should consist of fighting both internal adversaries and external enemies as these two forces have always closely colluded with each other. It is due to this that closely linking national defense with security has become essential. It is also due to this that a new task has been created for our Armed Forces in parallel with the task of fighting internal advsersary, that is, the task of maintaining political stability.

This also means that to firmly defend the fatherland, we should successfully preserve and consolidate peace, be alert and determined to victoriously counter the enemy's "peaceful evolution," overall sabotage, and unrest and subversion inciting strategies; be ready to defeat all forms of wars of aggression, especially limited wars of aggression and land-grabbing, "low-intensity conflict" wars, and large-scale wars of aggression in order to create favorable conditions for speeding up the pace of national construction.

Finally, defending the fatherland is a comprehensive struggle for which we should use our integrated strength. This struggle, which is inseparable from the cause of national construction, calls for close coordination between national construction and the struggle on the political, economic, cultural, ideological, security, diplomatic, and military fronts; for associating national strength with epochal strength; and for consolidating our pure relations of friendship, militant solidarity, and special cooperation with Laos and Cambodia, with the Soviet Union, and with other fraternal countries and progressive forces in the world.

2. The all-people national defense and the people's warfare positions must be taken care of constantly.

First of all, we should pay attention to educating all the people, cadres of all ranks and in all sectors of the party and state on national defense, and heighten their vigilance, knowledge of and sense of responsibility for the task of consolidating national defense.

The national defense strategy should be adjusted, supplemented and perfected to meet the new requirements. This strategy must assure the building, exploitation and effective use of all combined political, economic, technological, cultural, ideological, security, diplomatic and military potentials in defending the homeland in times of both peace and war. In organizing and implementing the national defense strategy, we should promptly determine the specific tasks, objectives and measures for all sectors, echelons and the people, namely the measures to consolidate and perfect the all-people system of military organizations under the new conditions, to combine economic building with the construction of national defense and military infrastructures, and to prepare the people and Armed Forces for defending the country.

All these measures must be directed toward implementing the objectives of building and firmly consolidating the all-people national defense and the people's warfare positions countrywide and in each locality, especially in regions of strategic significance. These battle positions must warrant the development of the integrated strength of all the people and turn every province and city into firm defense areas capable of comprehensively developing their own potentials, defending themselves with their own strength and fulfilling their obligations to the country as a whole. They must combine the local strengths of provincial and city defense areas with forces on the battlefields and throughout the country. We must also remain vigilant to victoriously cope with all the subversive and aggressive designs of the enemies inside and outside in order to protect peace and maintain stability for national construction.

3. The spirit of independence, sovereignty and self-reliance must be developed to the highest level while the overall quality and combat strength of the people's Army and the people's Armed Forces should be increased.

At present, building the Armed Forces politically is the primary duty. In this connection, more than ever before, to make the Armed Forces constantly a loyal and reliable combat force of the party and the people, we should concentrate on educating and enabling them to firmly preserve and develop their working class nature, intensify the party's absolute, direct and comprehensive leadership over the Armed Forces; attentively and steadily raise the level of general knowledge and political ability of cadres and combatants—mainly cadres—regularly consolidate and intensify the relationship between the Army and the people, and remain vigilant and alert against all plots to divide the Army-people relationship and attack the party leadership over the Army, aiming to neutralize the Army.

We should continue to build the regular Army to give it a reasonable personnel strength, a proper organizational structure, a high quality in terms of standardization and gradual modernization, and a powerful reserve force of high combat readiness standard.

We should continuously adjust the personnel strength of the regular Army, maintain a reasonable number and rearrange the staff organization in conformity with the economic capability of the country and the national defense task. Priority should be rationally granted to the building of mobile strategic forces of the Defense Ministry: groups and companies of combined arms, and strong units of the Naval, Air and Air Defense Forces which are capable of fulfilling their duties on all battlefields and of reacting rapidly and effectively under all unexpected military circumstances.

We must, at the same time, carry on the renovation process, improve the contents, organization and method of training in order to enhance the quality of troop training along the "basic, practical and steady" lines in close association with the missions of units. In training, we should adhere to the idea of "self-reliance and self-support to use what is on hand to fight" to defeat the enemy with the weapons available in our units and with our own tactics. Through training, we should tactfully apply and transmit to younger generations those valuable military experiences and traditions of the nation.

Building strong reserve forces to stand by for mobilization is an objective requirement of national defense. In the new period, the building of reserve forces raises a very high requirement which differs from the building of the same forces during the years of resistance against France and the United States. The reserve forces require tight organization, close management, good training and adequate components ready to be mobilized by the various armed branches and services for immediate combat. This can be done only when party committee echelons, the administration at all levels and all sectors from the central down to grassroots levels, pay attention to the matter with a high sense of responsibility. The Defense Ministry and military agencies at all levels must, of course, play the key role and directly organize the implementation.

The militia and self-defense forces must be built strong, firm and widespread to suit the situation at grassroots level. These forces must be built mainly along the qualitative line, primarily the political quality, with due attention paid to the targeted areas, and must be suitable to the geographical conditions and the organization of production. The training scope and method of the militia and self-defense forces must be renovated in line with the unit mission and combat plans to ensure security in the defense areas.

On the basis of ensuring combat preparedness, we must positively mobilize the army troops to participate in building the economy effectively and practically under many organizational forms, mechanisms, and appropriate policies, and in accordance with the state stipulations. We should intensify the form of troops building the economy in combination with national defense in outlying mountainous and border regions, maintain the production capacity, and gradually develop the network of national defense industry in the network of national industry.

Another factor that should be emphasized to enhance the quality of troops is to accelerate the task of military science, study the estimates of situations, promptly resolve the newly emerging problems, intensively summarize realities, and constantly perfect military theories and arts, thus contributing to the perfection of Vietnamese military lines in the period of transition to socialism.

Views on Marxism-Leninism Critiqued

BK0606115191 Hanoi TAP CHI CONG SAN in Vietnamese Apr 91 pp 11-12

[From the "Advance to the Seventh National Party Congress" section by the TAP CHI CONG SAN editorial staff: "Some Issues That Need To Be Discussed Again"]

[Text] Respecting freedom of expression, in its March 1991 issue TAP CHI CONG SAN carried a number of views expressed at a debate organized by the journal's Economic Affairs Section to discuss the draft platform and draft strategy. We think some of the views expressed by Hong Ha and Phan Dinh Dieu on Marxism-Leninism could be inappropriate. Dieu recognized the "greatness" of Marxism. He said: "The greatness of Marxism, which we still need to study, lies in its dialectical materialism. We need to use this great theory to study our country's socioeconomic development." However, he raised this question: "Is it advisable to regard Marxism-Leninism as the only theoretical basis of our platform as we have done so far?" Hong Ha seemed to adopt a more clear-cut stance.

He said: "Maybe we should regard Marxism-Leninism as one of the various sources of knowledge only." "I still believe that Marxism-Leninism is simply a source of knowledge," he added.

In our opinion, it is necessary to discern between the party's ideological system, which serves as the party's theoretical basis, and other sources of knowledge available to mankind. As far as sources of knowledge are concerned, they are mutually supportive and if a source of knowledge makes the most out of the quintessence supplied by other sources and follows the objective law governing world evolution, that source of knowledge can shed light on the truth of the era. Marxism-Leninism has accomplished such a task. The primary objective of Marxism-Leninism is to serve the revolutionary movement of the working class. Therefore, Marxism-Leninism is the only ideological system of the Communist Party, the vanguard brigade of the working class. The Communist Party has no ideological systems other than the ideological system based on Marxism-Leninism. This does not mean that Marxist-Leninist theoreticians do not appreciate the quintessence of other ideological concepts that many nations and mankind as a whole have developed so far. This time, to shed more light on the creative application of Marxism-Leninism to the conditions of our country, the draft platform has included Ho Chi Minh's thoughts in the party's theoretical basis, which serves as the party's ideological system. This is a rational move. It is correct to say that no matter how all-inclusive Marxism-Leninism and other doctrines may be, they all must follow a common law of evolution as follows: They are subjected to certain limitations imposed by history and need to be supplemented and developed. It is for this reason that Marxism has been supplemented by Leninism and this move has given rise to Marxism-Leninism. At present, Marxism-Leninism has been supplemented, developed, and renovated to keep pace with mankind's progress in all fields, particularly in the scientific and technological explosions as well as in the common struggle to secure a better future for mankind. It is necessary to know how to apply Marxist-Leninist principles to real life situations, do away with outdated concepts, and concentrate on present and future tasks. A very high price has been paid for every dogmatic or rigid concept. Nobody is perfect. Marx and Lenin are no exception. They did make mistakes. As a precaution against dogmatism, the founders of Marxism-Leninism have advised people not to turn their concepts into dogmatic, rigid principles but to regard them as a set of guidelines only. Dialectical materialism is Marx's greatest gift for mankind. Marxism is not only a method of reasoning but also a scientific socialist theory and a solid politico-economic science. It has made great contributions to world civilization and mankind's intellect.

Hong Ha expressed his opinion as follows: "Marx was wrong because he regarded the system of public ownership as the goal of the building of a new society." It is true that Marx had this to say in the Communist Manifesto: "The Communists may sum up their arguments using the following single formula: Eliminate the system of private ownership." However, Marx' statement should be interpreted in its own context. Marx was concentrating his criticism on the capitalist private ownership system, a production relation which became outdated because its production forces had reached a very high level of social development. Compared with today's world, Marx's views could be incorrect or inappropriate. However, his concepts on the public and private ownership systems are not wrong. We should base our study of communism on Marx's overall arguments when he analyzed and criticized capitalism through many of his works, especially through his collected works on capitalism.

Is ownership an end or a means? This issue should be resolved in the framework of the dialectical relations between ends and means. As far as social phenomena are concerned, some ends and means are not interchangeable whereas others are. Sometimes, once it has been reached, an end can serve as a means to a higher-priority end. The interchangeability between ends and means must be studied on a case-by-case basis. It is not advisable to do such a study in a mechanical way or set a fixed boundary between ends and means. As far as our country is concerned, ownership is an important issue involving both theory and practice and we still have many opportunities to exchange views on it.

Regarding our past mistakes, we should cast the blame on our failure to make thorough studies of those issues raised by Marx and take into account the historical conditions of Marxist concepts. We must also blame ourselves because of our tendency to study the issue of ownership just for form's sake and separate it from the developments of production forces and production relations. All these mistakes are the consequences of our immaturity.

NHAN DAN on Emulation Movement in Armed Forces

BK0606163191 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 5 Jun 91

[Excerpts from 6 June NHAN DAN Editorial]

[Text] The determined-to-win movement has been a grand force in influencing the Armed Forces' activities for more than forty years. It is a movement arising from the people and having a blood-flesh relationship with the public. The movement's exemplary cases have strong influence over the Army units in preserving and perfecting the tradition of a revolutionary army under the party leadership. The Army does not step back under any difficulties or challenges and is always ready to sacrifice for the fatherland and loyal to the protection of the party, regime, and peaceful living of our people.

Today, in peacetime, construction of the Armed Forces and the strengthening of national defense under the party renovation guidelines are even more meaningful. Our Armed Forces have been built in a revolutionary, regular, and modern direction. They are ready for any struggle, actively contributing to economic construction, and performing international duties in order to guarantee the accomplishment of those heavy and glorious duties.

The determined-to-win movement in the people's army forces must be upgraded in content and in form, by measures and in effectiveness, and constantly develop actively the effects of the exemplary groups and individuals in the entire army.

The Armed Forces should organize sessions to study the experiences of the exemplary outstanding organizations and from there set up practical measures in applying the movement that are suitable to every unit. The heroic groups and individuals, the emulation warriors, and the determined-to-win warriors are not to be subjective and self-satisfied. They should play an advancing, exemplary role; constantly build up scientific, technological knowledge; strive to achieve high productivity, good quality, and more savings; fully heighten political, military, and specialized standards; and regularly practice to perfect the quality of Uncle Ho's soldiers.

Maintaining and developing the determined-to-win movement is showing new motivation in patriotic movements to positively contribute to the protection and construction of the Vietnam socialist fatherland.

Australia

Financial Market Faith in Government Viewed

BK0706085391 Hong Kong AFP in English 0753 GMT 7 Jun 91

[By Michael Collins]

[Text] Sydney, June 7 (AFP)—Australian financial markets appear to be losing faith in the economic credibility of Prime Minister Bob Hawke's government following the forced resignation of Treasurer Paul Keating.

Slumping financial markets prompted reassurance from the government that economic policy would not change.

Since Mr. Keating quit Monday after a failed challenge to Mr. Hawke's leadership, the sharemarket slumped to a two-month low and 10-year bonds jumped about 0.75 percentage points to a high of 11.20 per cent.

The Australian dollar tumbled below 75.00 U.S. cents despite central bank intervention.

"All they want to do is fight among themselves, instead of running the country," Bob Vagg, a broker from Trent Securities, said of the government Friday.

Traders said they feared new treasurer John Kerin will be less tough on inflation, currently at 4.9 per cent annually.

Mr. Hawke, who defeated Mr. Keating's challenge with left-wing support, could make economically unwise decisions to propel the economy out of recession, they said.

"(The market) had more faith in Keating sticking to hard line policies," Mark Rattigan, a senior foreign exchange dealer at Manufacturers Hanover Australia, said. "The left appears to have more clout."

Left-wing faction leader Brian Howe replaced Mr. Keating as deputy prime minister.

The market is concerned the left will push for greater government spending to prevent unemployment rising from 9.4 per cent in May towards 11 per cent as tipped by the government.

It is also expecting the government to trim cash rates.

Labor Party bickering and leaks from the Hawke government were fanning uncertainty, Mr. Rattigan said.

"Offshore see political uncertainty. The challenge could come back," he said.

Some political analysts here expect Mr. Keating to confront Mr. Hawke again, and be successful.

The week's most dramatic slump occurred late Thursday when two U.S.-based investment banks, Merrill Lynch and Goldman Sachs, warned investors to dump Australian stocks and the Australian dollar.

The dollar shed about one U.S. cent from its previous close to 74.95 U.S. cents in overnight trading.

It ended here at 75.30 U.S. cents Friday after the Central Bank supported the currency. On May 30 it ended at 76.25 U.S. cents.

Only two weeks ago in a bid to drive down the dollar from above 78.00 U.S. cents, the Reserve Bank was selling the unit and Governor Bernie Fraser said it was overvalued by as much as 10 per cent.

The dollar's sag on Thursday prompted Mr. Kerin to reiterate that Canberra's economic policy would remain unchanged.

"The government remains fully committed to the maintenance of appropriately firm fiscal and monetary policies that will secure sustainable and non-inflationary growth," he said.

One dealer said: "If a treasurer has to come out and repeat himself twice in 24 hours you know the market doesn't trust him."

Mr. Keating, despite his inability to solve Australia's economic woes during his eight years as treasurer, was largely trusted by the market as an economic realist who could ram tough decisions through cabinet.

Markets have been spooked by criticism of Mr. Kerin, former minister of energy and primary industries, including a comment by former finance minister Peter Walsh that he was too indecisive to take politically difficult economic decisions.

The sharemarket ended at 1478.0, which the Australian Stock Exchange said was its lowest close since mid-April.

Ten-year bonds, which closed at 10.46 per cent on May 30, ended at 11.12 per cent Friday while ninety-day bank bills wound up at 10.27 per cent, equal to their close on May 30.

'Historic Step' in Relations With RSA Viewed

BK0706110591 Melbourne Radio Australia in English 0803 GMT 7 Jun 91

[From the "International Report" program]

[Text] Australia's relations with South Africa [RSA] have taken an historic step. The Australian foreign minister, Gareth Evans, has completed the first round of talks in Cape Town with South Africa's President de Klerk and leading government ministers. The visit by Senator Evans marks the first high level contact between the countries for decades. On his arrival in the country he said the talks were aimed at laying the ground work for a very substantial relationship. But at the end of the first round, the foreign minister says he has heard nothing yet to suggest that there will be an immediate improvement in bilateral relations. Marius Benson asks Senator Evans for his impressions of his meeting with South Africa's president.

[Begin Recording] [Evans] I had quite a long series of talks with Pik Botha, the foreign minister; with President de Klerk, and other senior ministers on the whole range of issues that is affecting the present courses. The negotiations were discussed in a lot of detail. The problems were obviously present about the violence issue, the suggestion on the eventful dragging on the release of prisoners, and the return of exiles, the progress of all the key phases of legislation. I put out the terms on a whole range of issues and the replies I got were pretty straightforward and, I think, pretty frank. I think there is a basis for some degree of confidence that the process is moving forward a little obviously amidst all the difficulties.

[Benson] What specifically was the reply on issues like the release of political prisoners and township violence?

[Evans] I think all I can say is that there is consciousness on the part of the government is quite evident but they do have to address the issue head on. I was making it very clear that there is a lot of international concern and quite a substantial international belief that the government had been question [words indistinct] in the way which it had dealt with the issue and there is a lot of concern over whatever the government may want. A number of people in the security forces were still manifestly biased toward Inkatha in the way in which they were handling the situation on the ground. I think all those points were taken in reasonably good spirit.

[Benson] Did you suggest to President de Klerk that those problems were of a magnitude that they could threaten the continued relaxation of sanctions against South Africa?

[Evans] I did make it clear that any significant move on sanctions would need to follow clear and reasonable resolution of the prisoners' issue, the return of exile issue, of course they are the obstacles that have been identified in terms of legislation that remains to be repealed. I also made it clear that the violence issue was one that could operate another side win in terms of international reaction and even if other obstacles were left over. If the violence issue were to escalate further out of control, it would be very difficult to get international support without any significant listing even on the first stage of sanctions, and I think that is a fairly widespread view within the commonwealth and among the wide international community. That was pretty clear, the South African Government is pretty conscious now of that.

[Benson] And just the final question. Are you now in a position where you believe it is time to recommend closer links between Australia and South Africa, that it is now time for our prime minister to visit there?

[Evans] Oh, I think it is premature to be making judgments of that kind. That depends very much on the reform process preceeding further down the track. We are still only in the period over these stages of that reform process and the number of obstacles that are close to being jumped are apparently obstacles to [word indistinct] the negotiations. However, legislation is being slipped away as part of the [word indistinct] of the aparthied regime but the biggest piece of legislation of all remains intact. And that is the Constitution which denies the right to participate in the political process.

There are two black South Africa and [words indistinct] the process of constitutional negotiation is quite a deal further down the track. I think it would be too premature for us to be talking in terms of a closer relationship than we have already. But that is not to say there should not be some exploration of the kind that I am now engaged in, of what those closer ties might look like, and that is obviously one of the purposes of this trip. [end recording]

Broadcasting Corporation To Reopen in Jakarta

BK0606071191 Melbourne Radio Australia in English 0500 GMT 6 Jun 91

[Text] Indonesia is reported to have agreed in principle to allow the Australian Broadcasting Corporation [ABC] to reopen a news bureau in Jakarta after an absence of more than 10 years. Radio Australia is the overseas service of the ABC.

Indonesian authorities ordered the closure of the ABC's office in Jakarta in 1980 because of dissatisfaction with reports on Radio Australia.

New Zealand

Minister on Visit of North Korean Diplomat

BK0706064191 Hong Kong AFP in English 0602 GMT 7 Jun 91

[Text] Wellington, June 7 (AFP) - Foreign Minister Don McKinnon said Friday that a North Korean diplomat was currently visiting New Zealand but Wellington had not departed from its policy of non-recognition of Pyongyang.

In a statement, Mr. McKinnon said Han Pong-Ha, the Democratic People's Republic of Korea's (DPRK) ambassador to Indonesia was here on a visit he had authorised.

"This does not represent a departure from New Zealand's policy of non-recognition of the DPRK," he said.

"The government does not intend to move towards normalisation of relations with the DPRK until we see real evidence that it is adopting acceptable norms of international behaviour, including that it is no longer engaging in terrorist acts."

Mr. McKinnon said New Zealand also needed proof that the DPRK was taking a constructive attitude to reunification talks and that it would live up to its obligations and negotiate with the International Atomic Energy Agency of a safeguards agreement concerning its nuclear facilities.

But the government would not impede trade or unofficial contacts and it wished to encourage North Korea out of its self-imposed isolation.

"I therefore decided to respond positively to Mr. Han's request to visit New Zealand."

He would be permitted to meet officials and the parliamentary Foreign Affairs and Defence Committee, but not cabinet ministers.

Finance Minister Rules Out Tax Increase

BK0706065691 Hong Kong AFP in English 0607 GMT 7 Jun 91

[Text] Wellington, June 7 (AFP)—New Zealand Finance Minister Ruth Richardson on Friday ruled out general tax rises despite growing rebellion in the government's ranks over planned cuts to pensions.

Several MPs have called for tax increases instead, but Miss Richardson said such a move could halt the decline in interest rates.

"New Zealand has had a major fiscal policy credibility problem," she said. "Since 1983 the government has had three credit downgradings which means it is more expensive for the government and for our firms to borrow.

"If we fix our deficit by simply raising taxes we reconfirm our poor record. If we just hiked taxes, investors would expect new deficits in the future. That puts at risk the interest rate falls we have achieved in recent months."

Tax increases could "choke off an emerging recovery", the minister said.

In a speech, she said the better-off should pay more for welfare services but she pledged the government would look after those who could not pay.

"This is not user-pays," she said. "User-pays means everybody gets charged, no matter what they can afford to pay. We intend to protect New Zealanders who cannot pay."

The better-off would have "more incentive to maintain their own health by, for instance, watching their diet and fitness and not drinking and driving."

Prime Minister Jim Bolger hinted the government might still change pensions despite backbench anger. Mr. Bolger said in a speech that he would love to announce that the government could totally exempt senior citizens from the kind of adjustments that all New Zealanders now had to make.

"But we can't," he said, adding that the country's pension scheme was not sustainable.

Solomon Islands

Striking Teachers Defy Law, Refuse To Work

BK0706064491 Melbourne Radio Australia in English 0500 GMT 7 Jun 91

[Text] Striking teachers in Solomon Islands have defied a law requiring them to return to work after their dispute with the Government was referred to the Trade Disputes Panel.

The Government referred three of the issues in dispute to the panel but rejected the fourth that demand for the removal of three senior officials in the prime minister's office.

About 2,500 teachers began a strike on Tuesday to back demands for a 16 percent pay rise, payment of salaries fortnightly, and an agreement that they receive all future pay rises given to public servants.

Today they were still refusing to work despite a law requiring them to return to their jobs once the dispute has been referred to the panel.

Western Samoa

Government Broadens Tax Base in New Budget

BK0706103491 Hong Kong AFP in English 0947 GMT 7 Jun 91

[Text] Apia, June 6 (AFP)—Western Samoa is to broaden its tax base by extending the 10 per cent sales tax to cover more services, Finance Minister Tuilaepa Sailele said Thursday.

He announced the plan when introducing to parliament a record budget of 222 million tala (95 million dollars), up from last year's expenditure of 200 million tala (87 million dollars).

Western Samoa charges a 10 per cent goods and sales tax (GST) on restaurant and hotel businesses but will now extend the tax to professional charges, some forms of insurance and tourist support services.

Professional services include valuation, consultant engineering, surveying, chemists, medical services, architecture, auditing and accounting.

The change will come into effect when the next fiscal year begins on July 1.

Mr. Tuilaepa said it was essential to broaden the government's revenue base to finance future expenditure.

At a press conference later, he said he wanted to review income taxes to ease the burden on wage earners and companies.

"(The small tax base) acts as a disincentive to this group of people who have been bearing the brunt of the tax for so long," he said.

Mr. Tuilaepa said plans to introduce a universal consumption tax early next year were still being finalised.

In his budget, he said production of the country's main export commodities, copra, cocoa and coconut oil, remained depressed during the first quarter of the year but were expected to recover gradually.

Gross foreign reserves amounted to 175 million tala (76 million dollars) at the end of March, compared with 148 million tala (64 million dollars) a year ago.

Mr. Tuilaepa said Western Samoa remained highly vulnerable to external influences due to its weak infrastructure, distance from major markets and its heavy dependence on a few agricultural commodities.

Export performance was expected to remain weak while imports will increase as a result of materials and equipment for development projects funded by soft loans and grant aid, he said.

Development will be funded by nearly 61 million tala (26 million dollars) raised at home and 57.5 million tala (24.9 million dollars) in concessionary loans and grant aid from overseas.